BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF NEW MEXICO FOR REVISION OF ITS RETAIL ELECTRIC RATES PURSUANT TO ADVICE NOTICE NO. 667	)	**Docket No. 26-0000XXX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant.	)	

DIRECT TESTIMONY

OF

JESUS FLORES-OLIVAS

November 24, 2026

NMPRC DOCKET NO. 26-0000XXX
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WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

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DIRECT TESTIMONY OF
JESUS FLORES-OLIVAS
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I. INTRODUCTION AND PURPOSE

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

A. My name is Jesus Flores-Olivas. I am the Director of Transmission Engineering for Public Service Company of New Mexico ("PNM" or "Company"). My business address is 2401 Aztec Rd NE, Albuquerque, New Mexico 87107. A description of my position and background is included in PNM Exhibit JFO-1.

Q. What is the purpose of your direct testimony in this case?

A. The purpose of my direct testimony is to describe PNM's transmission and distribution systems, explain the planning and engineering processes used to identify system needs, and support the capital investments and operations and maintenance expenses necessary to provide safe, reliable, secure, and resilient electric service to PNM's customers. I describe the existing condition and evolving needs of PNM's transmission and distribution systems.

I describe how PNM evaluates system condition, load growth, reliability, capacity, voltage, compliance, safety, customer needs, and other operational factors when developing capital projects. I also explain how PNM evaluates alternatives, develops project estimates and schedules, and monitors the projects I support. I also explain the planning, engineering, project prioritization, cost-estimating, and benefit-cost evaluation processes PNM uses to identify system needs, evaluate alternatives, develop project estimates and schedules, and select prudent and cost-

effective investments. Finally, I explain the background and need around right-of-way renewals to accommodate PNM facilities and equipment needed to serve customers.

The capital investments I support are the Transmission and Distribution ("T&D") projects identified in PNM Exhibits JFO-4 (Transmission) and JFO-5 (Distribution). These projects originate from PNM's planning groups, and include transmission line and substation improvements, distribution capacity projects, feeder rebuilds, and generation and customer interconnections. I also cover costs related to our jointly owned transmission facilities; replacement of failed or at-risk substation equipment; replacements of aging protective-relay and communications equipment, poles, conductors, underground cable, transformers, circuit breakers, control buildings, and other transmission and distribution assets. These investments are intended to address documented safety, reliability, capacity, resilience, compliance, and customer-service needs. I also support PNM's T&D operations and maintenance ("O&M") expenses, including the labor and outside services required for system planning, load forecasting, interconnection studies, protection engineering, regulatory compliance, and the purchase of third-party transmission service.

Q. How does your direct testimony relate to the testimony of other PNM witnesses in this case?

A. As discussed above, my testimony supports only the T&D capital projects identified in PNM Exhibits JFO-4 (Transmission) and JFO-5 (Distribution). PNM witness Wesley W. Gray supports the Generation investments and the separate T&D investments identified in his testimony and exhibits, including Grid Modernization and certain recurring Distribution asset-management, reliability, wildfire-mitigation, and vegetation-management activities. PNM witness Andrea Sanchez supports all New Service Delivery capital projects, including customer-requested line extensions, services, meter equipment, transformers, and lighting. PNM witness Dr. Tobe C. Phelps explains PNM's Company-wide capital-governance and value-driver framework and supports Shared Services[1] capital investments. PNM witness Reina N. Gutierrez presents the accounting treatment and amounts for these investments and expenses included in PNM's retail revenue requirement

II. SUMMARY OF KEY CONCLUSIONS

Q. Please summarize your conclusions concerning PNM's T&D capital investments and O&M expenses that are included in the cost of service.

A. Overall, I conclude that:

- PNM's T&D capital investment clearings included in PNM Exhibits JFO-4 (Transmission - $376.0 million in clearings) and JFO-5 (Distribution -

[1] "Shared Services" refers to PNMR Services Company, a wholly owned subsidiary of TXNM Energy, Inc. ("TXNM"). Shared Services provides corporate services to TXNM and to all of TXNM's subsidiaries, including PNM, through shared services agreements.

$230.6 million in clearings) totaling approximately $606.6 million for the period from July 1, 2026, through September 30, 2028 ("Capital Investment Period"), are necessary and reasonable to maintain safe, reliable, secure, and resilient electric service while supporting PNM's clean energy transition. These investments address aging and obsolete infrastructure, system capacity needs, load growth, generator and customer interconnections, economic development, regulatory requirements, and other identified system risks. They also provide the infrastructure necessary to integrate clean energy resources and accommodate the changing ways electricity is generated and used.

- PNM is taking a thoughtful approach to investments necessary to prepare New Mexico for the energy future by maintaining and replacing aging T&D infrastructure through significant new capital projects, minimizing risks to customers by maintaining facilities and preventing outages, and addressing emerging infrastructure risks, including wildfire risk. Much of PNM's T&D systems were installed decades ago; additional capital investments are needed now to replace obsolete and aging equipment to ensure that PNM continues to provide safe and reliable electric service to our customers. As aging infrastructure is replaced, PNM's replacement strategy supports a platform for a decarbonized, more automated grid with increasing demands from beneficial electrification.

- PNM uses structured planning, engineering, estimating, and project-selection processes to identify prudent and cost-effective investments. PNM evaluates alternatives, project timing, permitting and procurement requirements, equipment lead times, lifecycle costs, and customer benefits before proceeding with major investments.
- The T&D O&M expenses I support are prudent and reasonable and are necessary to operate and support the system. These expenses include planning and interconnection studies, protection engineering and compliance activities, and third-party transmission service, including incremental resources needed to address increasing study activity and compliance obligations.
- PNM's planning efforts have and will continue to focus on ensuring its system is robust and able to provide adequate service when experiencing peak demands while meeting applicable regulatory and safety requirements. In addition, PNM is designing and planning the system to meet emerging and future load growth that results from development, transportation electrification, and building electrification.
- PNM incurs charges for use of rights-of-way across public, Tribal, and private lands for its T&D systems to serve customers. PNM uses prudent practices to negotiate necessary access for T&D facilities at a reasonable cost for customers.

III. TRANSMISSION AND DISTRIBUTION SYSTEM OVERVIEW

A. PNM Transmission System

Q. Please briefly describe the PNM transmission system in New Mexico.

A. The New Mexico transmission system is shown in PNM Exhibit JFO-2. The New Mexico transmission system is situated in the Western Interconnection grid and consists of transmission facilities owned solely by PNM as well as transmission facilities owned jointly by PNM and other transmission providers. As a general matter, the New Mexico transmission system was originally designed to transport electricity from baseload coal and nuclear-fueled resources constructed in the 1960s, 1970s, and 1980s to the load centers in central and south-central New Mexico and the El Paso, Texas metropolitan area, which is also located in the Western Interconnection grid.[2] PNM's portion of the New Mexico transmission system consists of almost 3,200 miles of 345 kV, 230 kV, and 115 kV lines. The New Mexico transmission system also includes 69 kV and 46 kV sub-transmission lines.

Q. Please discuss how PNM's transmission system is configured and used to serve customers.

[2] Portions of Texas are situated in each of the Western, Texas (Electric Reliability Council of Texas or "ERCOT"), and Eastern Interconnection grids. El Paso and adjacent areas in the westernmost part of Texas are the only portions of Texas in the Western Interconnection grid; therefore, El Paso and adjacent areas in Texas are not directly electrically interconnected with the rest of Texas.

A. New Mexico's transmission system delivers electric energy across several 345 kV and 230 kV lines from generation resources to load centers in New Mexico and El Paso, Texas. These transmission lines emanate from generation resources in the Four Corners area in northwest New Mexico and run southeast to the central New Mexico load centers in Albuquerque, Santa Fe, Las Cruces, and surrounding areas. The Four Corners area is also connected to far western and southern New Mexico by two 345 kV lines that run along the western border of New Mexico and the eastern border of Arizona, with interconnecting transmission lines that carry power to southern New Mexico load centers and El Paso. Additionally, transmission lines in eastern and central New Mexico transport renewable energy from generating sites to communities throughout the southwestern United States.

The 345 kV transmission system in eastern New Mexico has been expanded in recent years to accommodate the large installation of wind generation in that region. PNM retail customers receive energy from 658 MW of wind generation resources delivered using the eastern and central New Mexico transmission system.

The New Mexico transmission system also serves to connect the large load centers for emergency support purposes and interconnects with neighboring transmission systems to enhance system reliability and promote the economic interchange of power. In the case of a few larger customers, PNM directly connects customer-

owned facilities to PNM's transmission system at either a substation or to a transmission line through a transmission metered service.

Q. How is the transmission system in New Mexico interconnected with neighboring transmission systems?

A. The New Mexico transmission system connects:

- to the systems of Public Service Company of Colorado, a subsidiary of Xcel Energy, Inc., the Western Area Power Administration ("WAPA") Colorado-Missouri Division, and Tri-State Generation and Transmission, Inc. ("TSGT") in the North;
- to the systems of Tucson Electric Power Company ("TEPCo"), Arizona Public Service Company ("APS"), Salt River Project Agricultural Improvement and Power District, and WAPA Lower Colorado Division to the West; and
- to the El Paso Electric Company ("EPE") and TSGT systems in the South.

In addition, two 200 MW (nominal rating) asynchronous high-voltage direct current ("HVDC") substations connect the New Mexico transmission system, located within the Western Interconnection grid, to the transmission system of Southwestern Public Service Company, a subsidiary of Xcel Energy, Inc., located in the Eastern Interconnection grid.[3] These stations allow the interchange of power

[3] There is a total of seven HVDC ties between the Western and Eastern Interconnection grids.

in either direction with the Eastern Interconnection. The Blackwater tie near Clovis, New Mexico, enables the import of power to the Albuquerque load area via the Blackwater-BA 345 kV system. PNM owns 100% of the Blackwater tie. PNM's 345 kV transmission from eastern New Mexico into central New Mexico, which serves customers in the central portion of the state, currently has 12 wind farms[4] connected to it and is fully subscribed to its current maximum transmission capacity of 2,272 MW.

The Eddy County tie near Artesia, New Mexico, enables both PNM and EPE to import power from the Eastern Interconnection system via the Eddy County-Amrad 345 kV line. PNM owns 33% of the Eddy County tie. El Paso Electric owns the remainder. The tie primarily serves as a possible backup path to some of PNM's southern New Mexico load when the primary delivery paths are unavailable. PNM is currently in negotiations with EPE over the future ownership of this facility.

Q. What are the other major elements of the New Mexico transmission system?

A. Large transmission autotransformers located at load centers are used to step down the main transmission system voltages to the 115 kV transmission system. Substations located on 115 kV transmission lines, and 69 kV and 46 kV sub-transmission lines further step the voltages down to distribution system voltages for delivery to end users.

[4] These facilities include Broadview, Grady, Lone Mesa, Casa Mesa, Argonne Mesa, El Cabo, La Joya 1 and 2, Tecolote, Red Cloud, Duran Mesa, and Clines Corners.

Q. Are the transmission facilities you described solely owned by PNM or are those facilities jointly owned?

A. The 115 kV, 69 kV, and 46 kV transmission facilities are solely owned by PNM, except for a limited number of 115 kV switching stations and transmission lines, which PNM either co-owns or has transmission rights with TSGT or EPE. PNM jointly owns certain 345 kV facilities in the Four Corners area, near the Palo Verde Nuclear Plant, along the Arizona/New Mexico border, and in southern New Mexico.

Q. Does PNM's transmission system constitute a single, integrated system?

A. Yes. PNM's transmission consists of networked lines, facilities, and equipment that together constitute a single, integrated system. Under Federal Energy Regulatory Commission ("FERC") standards, a utility's networked transmission system is viewed as a single piece of equipment, and FERC has declared that all customers, including PNM base rate and FERC wholesale transmission customers, directly benefit from network upgrades to a utility's transmission system. PNM operates its transmission system as a single unit, with each component functioning as part of the whole. Because the integrated system provides transmission service to retail and wholesale customers, the costs are allocated between PNM base rate and FERC wholesale transmission jurisdictions, as discussed by PNM witness Gutierrez.

Q. How is PNM's transmission system planned and used?

A. PNM must plan its transmission system to meet the needs of both its PNM base rate and FERC wholesale transmission customers. PNM uses its transmission system to deliver electric energy to its customers from generation, storage, and purchased power resources, as described by PNM witness Gray. PNM also acts as a third-party service provider, enabling other entities to deliver the output of generation resources to their customers. As a transmission provider subject to the jurisdiction of FERC, PNM provides open access transmission service on its system for generator interconnection and transmission delivery services pursuant to the terms and conditions of its FERC-approved open access transmission tariff ("OATT"), as discussed below.

Q. What additional demands has PNM experienced for transmission service on its system?

A. PNM has experienced additional demands for transmission from both PNM base rate and FERC wholesale transmission customers. The increased demands stem from higher customer loads and the interconnection of intermittent resources and energy storage facilities.

Q. What types of transmission services does PNM provide for other entities over its transmission system?

A. PNM provides both Network Integration Transmission Service ("NITS") and Point-to-Point ("PTP") transmission service over its transmission system pursuant to its OATT. PNM has contracts with several transmission customers to provide long-term firm PTP transmission service, as shown in PNM Table JFO-1 below:

PNM Table JFO-1
Long-Term Firm PTP Transmission Service Obligations

Customer Name	Reserved Capacity (MW)
High Lonesome Mesa, LLC	100
Tri State Generation & Transmission Association, Inc.	40
Aragonne Mesa, LLC	200
Leeward Renewable Energy Development, LLC	35
El Paso Electric Company	104
Broadview, LLC	297
Grady, LLC	200
Avangrid Renewables, LLC	56
Clines Corners Wind Farm, LLC	243
Red Cloud Wind, LLC	331
Tecolote Wind, LLC	163
Duran Mesa, LLC	63
Salt River Project	184
Guzman Energy, LLC	26
El Cabo	213

These services are accounted for in the allocation of revenue requirements associated with the transmission system between PNM's retail base rate and wholesale transmission jurisdictions, as described by PNM witness Gutierrez.

B. PNM Distribution System

Q. Please describe the PNM distribution system.

A. PNM's distribution system generally begins at its distribution substations, which are connected to either 115 kV transmission lines or 69 kV or 46 kV sub-transmission lines. Within the substations, transformers step down the transmission (or sub-transmission) voltage levels to distribution system voltage levels for delivery to end users. PNM's T&D systems have grown significantly over the past several decades. PNM has approximately 16,400 miles of overhead distribution and just over 9,100 miles of underground distribution. PNM has 186 distribution substation transformers that typically range in size from 42 MVA down to 1 MVA.

Q. What geographic area is covered by PNM's distribution system?

A. The PNM distribution substations are spread over a large geographic area across New Mexico. PNM Figure JFO-1 below is a map that generally depicts PNM's service territory.

PNM Figure JFO-1

MAP OF PNM DISTRIBUTION SERVICE AREA IN NEW MEXICO



Q. What are the general operating parameters for PNM's distribution system?

A. The distribution system consists of both networked and radial systems. In Albuquerque and other urban areas, the Company typically operates a networked distribution system with secondary routing options to improve system reliability. In some suburban and most rural areas, PNM uses radial systems arranged like branches on a tree, with feeders radiating outward from a distribution substation, so customers have a single source of power.

Nominal voltage levels for PNM's primary distribution system range from 23 kV to 4,160 V, with the largest portion of PNM's primary distribution system utilizing a 12.47 / 7.2 kV design voltage. Distribution class transformers further reduce the

primary distribution system voltages to service voltages between 480 V and 120 V for delivery to end users. The distribution system from the distribution class transformers to the end user is referred to as the secondary distribution system. PNM also utilizes a 480 V underground network system to serve portions of downtown Albuquerque. For some larger customers, PNM directly connects customer-owned primary distribution facilities to PNM's primary distribution system at either the substation transformer or the primary distribution feeder through a primary metered service.

Q. Please provide information about the conductor footage of its distribution system.

A. PNM is providing a conductor footage report as PNM Exhibit JFO-3 that reflects the current primary and secondary overhead and underground footages, broken down by Northern and Southern Divisions.

IV. OVERVIEW OF PNM'S T&D SYSTEMS NEEDS

Q. What does this section of your testimony cover?

A. In this section of my testimony, I describe the current status of PNM's T&D systems and the need for continued investment to maintain system safety, reliability, and resiliency, and to prepare for a carbon-free energy future by ensuring the Company can meet customers' demand for electric service. This includes the vital role of balancing intermittent resources to safely and reliably serve customers.

Q. Why are the T&D investments and expenditures in the Test Period necessary and reasonable?

A. PNM's T&D investments and expenditures are necessary and reasonable because they address documented system needs before aging or obsolete equipment fails while energized. A significant portion of PNM's T&D infrastructure has been in service for decades and is approaching or has exceeded its average service life. As equipment ages, the likelihood of in-service failure increases, creating risks of longer and more widespread outages, damage to adjacent equipment, wildfire ignition, and hazards to employees and the public. Waiting for assets to fail before replacing them would expose customers to avoidable reliability and safety risks and can require more costly emergency restoration. PNM uses condition, age, performance, criticality, capacity, and risk information to identify and prioritize work. Capital investments replace or rebuild deteriorated and obsolete facilities, strengthen the grid, mitigate wildfire and security risks, and add capacity where needed. O&M expenditures complement those capital investments through inspection, testing, vegetation management, preventive maintenance, and timely repairs that help detect emerging conditions and reduce energized equipment failures. Together, these activities are intended to improve reliability and restoration performance, extend the useful life of assets where practicable, and reduce the frequency and consequences of unplanned failures.

Q. What role does PNM increased load play with respect to the need for T&D investments and expenditures in the Test Period?

A. The increased loads on feeders and substations place additional stress on facilities that may already be constrained by age, condition, or capacity.

Q. Does PNM evaluate alternatives in the evaluation of upgrades to its T&D system?

A. Yes. PNM evaluates alternatives, as well as project timing, costs, and customer benefits, so resources are directed to the highest-priority needs. Standardized designs, proven technologies, competitive procurement, and disciplined budgeting help manage costs while producing identifiable safety, reliability, capacity, resilience, and customer-service benefits. Replacing aging infrastructure with modern equipment also prepares the system for load growth, storage, distributed energy resources, electrification, and economic development. For these reasons, the Test Period investments and expenditures represent a prudent, cost-conscious approach to maintaining safe, reliable, and resilient service while avoiding greater risks and potentially higher costs from deferred action.

Q. Please elaborate on the relative age of PNM's T&D infrastructure.

A. The original lines were constructed as a mix of wood poles and steel structures, the majority of which were installed in the 1950s through the 1980s. The majority of the poles and overhead conductors on the Company's lines are more than 40 years

old. PNM's distribution system utilizes approximately 226,000 wood poles. More than 80% of overhead conductors on PNM's distribution system are greater than 30 years old. About 68% of the Company's distribution poles are over 40 years old. PNM has managed and maintained its assets to maximize their useful lives as much as reasonably possible. As covered in later sections, PNM utilizes multiple methods to effectively manage aging assets.

Q. Please describe the performance of the T&D systems.

A. PNM is committed to maintaining and improving upon the historical performance of the T&D systems and the capital programs and O&M expenditures included in the Test Period align with this goal. Please refer to PNM witness Gray's testimony for more information on PNM's reliability metrics.

Q. How has economic growth impacted the T&D needs of PNM customers?

A. PNM is experiencing economic expansion, including typical load growth and economic development, each of which is driving infrastructure investments. PNM's T&D systems have limited remaining capacity in many areas. Because of this, even modest load increases often require significant infrastructure development, including new facilities that lead to larger and more complex, multi-directional T&D systems. PNM is utilizing standard designs that provide greater flexibility and future expandability when constructing new facilities. The costs to maintain the T&D systems—both capital and O&M—have increased as a result. I provide

details on the capital investments and related increases in O&M expenditures to achieve these goals in Parts VI and VII of my testimony. PNM witness Gutierrez provides more information on PNM's plans to ensure costs are allocated fairly.

Q. Do the investments in the Capital Investment Period and the O&M expenses in the Test Period address these needs of the T&D systems?

A. Yes. As pointed out earlier, a large portion of the existing T&D system is near or approaching the average service life of the equipment and must be updated to modern standards to maintain customer safety, reliability, and the core infrastructure needed to serve customers. This core infrastructure is also required to handle high penetrations of distributed energy resources.

PNM is building new infrastructure to modern standards, which will continue our past and ongoing efforts to transform the existing one-way energy delivery system into a bi-directional energy system necessary to accommodate geographically diverse intermittent resources from clean energy resources.

The increase in economic development projects also requires investment to serve the new loads.

Q. How does distribution planning identify specific capital needs?

A. Distribution planning evaluates the primary distribution system by comparing the present and forecasted customer loads of the different retail customer service areas against system limitations to determine the need for and timing of system improvement projects. The objectives of these projects are to ensure compliance with NMPRC Rule 560 (17.9.560 NMAC) relating to electric utility service standards, the requirements of the American National Standards Institute, the National Electrical Safety Code, and PNM's own distribution planning criteria. The Company must ensure that it provides safe and reliable electric service to customers within established voltage and equipment loading criteria for normal and emergency conditions. Alternatives are evaluated and a solution is recommended for implementation in the PNM T&D capital budget. Recommendations typically consist of one or more of the following possible solutions (from lowest to highest potential cost):

- Reconfiguring the system service within an area by changing open points;
- Balancing connected load along the distribution feeder;
- Installing capacitors for voltage improvement and power factor correction;
- Installing voltage regulators to maintain voltage criteria;
- Upgrading existing overhead conductor/underground cable;
- Adding new overhead conductor/underground cable;
- Installation/utilization of battery energy storage systems ("BESSs");
- Constructing a new feeder from a substation; and

- Adding a new substation and/or feeders within a service area.

Q. How does PNM determine when and where to make capital investments to expand or reinforce its transmission system?

A. Transmission planners, including PNM, are required to continually analyze the performance of their current system and the need for future system improvements to ensure that electricity can be reliably delivered consistent with the North American Electric Reliability Corporation ("NERC") and Western Electricity Coordinating Council ("WECC") requirements, and NMPRC Rule 560. Pursuant to national NERC planning standards, PNM uses a 10-year horizon for transmission plans and does the same for distribution. Transmission plans are updated annually in advance of the budgeting process.

Q. Please explain the role of NERC with respect to PNM's transmission planning and operations.

A. NERC is a not-for-profit international regulatory authority whose mission is to ensure the reliability of the bulk transmission system in North America. NERC is the electric reliability organization for North America. NERC's area of responsibility covers the bulk transmission systems in the continental United States, Canada, and the northern portion of Baja California, Mexico. Among other things, NERC monitors the bulk power system, develops and enforces system reliability standards under the authority of FERC, and performs annual assessments of

seasonal and long-term reliability. PNM is responsible for ensuring that all NERC-required studies are completed within the timelines dictated and per NERC guidelines.

Q. What role does WECC play in transmission planning and operations?

A. WECC is one of six regional electric reliability councils under NERC authority. The WECC region encompasses the entire Western Interconnection as well as parts of Canada and Mexico. WECC develops and implements Regional Reliability Standards and WECC Regional Criteria for the Western Interconnection.

PNM's transmission system is subject to NERC and WECC jurisdiction, and PNM must make necessary capital investments and O&M expenditures to meet NERC and WECC standards, which in turn are subject to oversight by FERC.

Q. Please elaborate on PNM's transmission planning process.

A. PNM transmission planners perform modeling and simulations of PNM's transmission system to determine its operating capabilities. The system limitations are then compared to the present and forecasted demands of PNM's base rate and FERC wholesale transmission customers, along with any new considerations defined by FERC or NERC. NERC reliability standards and other industry practices guide these analyses to ensure electricity can be delivered adequately and securely. As potential system deficiencies are identified, such as over- or under-voltages or

equipment overloads, alternative solutions are identified. These alternative solutions may include developing of new or different operating procedures, adding of voltage-supporting devices, upgrading substation or line termination equipment, reconductoring lines, or constructing new lines. Alternatives are prioritized in accordance with their ability to solve system issues, to be implemented in the timeframe needed, and to provide the lowest lifecycle cost.

Q. How are alternative T&D solutions evaluated during the transmission and distribution planning process?

A. The process starts with an evaluation of the feasibility of the planning alternatives for any known permitting/environmental restrictions. The options resulting from this evaluation are then assessed to identify issues that could affect project viability. Such issues may include difficulty reconciling project schedules and budgets with necessary permitting and procurement requirements and lead times, required public input processes, or National Environmental Policy Act compliance requirements. Cost estimates are used in the feasibility stage of planning and for comparison between alternatives. These estimates are based on standardized station designs, estimated line mileages, historical PNM cost data that is periodically updated, and PNM T&D design and construction standards. PNM may employ consultants, vendors, and contractors to assist in providing cost estimate information, especially for alternatives that are not typical installations on PNM's system. For example, high-level right-of-way costs are based on the number of property owners, lot sizes,

and recent sales information. Estimates are then calibrated by comparing the cost of recent similar installations on the PNM system. Recent supply chain challenges are making cost estimation and project execution timelines, including material delivery timelines and services, more challenging.

Q. How does PNM finalize T&D project cost estimates and timelines?

A. Final cost estimates used for project funding include project- and site-specific considerations. These include selecting a specific parcel of land and/or line route, identifying permitting and environmental restrictions, developing the design in terms of site layout, span lengths, and typical structure heights, and securing current vendor quotes for major equipment. In addition, a timeline for the project is prepared based on time frames for permitting, right-of-way acquisition, engineering and design, lead times for material and equipment procurement, and construction schedules. Given recent supply chain constraints, estimates must often be updated again following the competitive request for proposals process when the project is put out to bid for engineering, procurement, and construction services.

V. T&D CAPITAL ESTIMATING PROCESS

Q. Please describe how cost estimates for transmission capital projects are developed.

A. Depending on the complexity of the project, PNM assembles data from a variety of sources to develop cost estimates for transmission line and station system

improvements. Initially, various technical solutions and/or locations are evaluated at a high level for feasibility. Considerations include obtaining permits, land rights acquisition, technical performance, required equipment, materials, or services, environmental considerations, ability to meet the desired schedule, and total long-term ownership costs. Once the preferred solution is identified, more detailed estimates are developed. For many projects, PNM has significant information available from recent similar projects. As part of its ongoing project management practices, PNM reviews historical pricing for trends and potential efficiencies.

Q. Does PNM use information other than historical data in its capital cost estimates for T&D projects?

A. Yes. PNM uses various reliable sources as a basis for or to augment its transmission and distribution project estimates. At times, the company has hired consultants to complete estimates using their own cost databases. PNM also solicits cost estimates and competitive bids from potential bidders for budgeting purposes; this is especially true in projects for which historical data is not available. Once PNM contracts with vendors for material, equipment, and construction services, cost estimates are updated accordingly.

Q. Has PNM been experiencing an overall increase in the cost to operate the T&D system?

A. Yes. PNM has definitely been experiencing a variety of inflationary pressures that have been driving up the cost of its T&D projects. Overall equipment costs have been increasing as the supply chain continues to experience delays and as demand across the utility industry continues to rise. In many cases, inflation on equipment costs have been higher than economy-wide inflation measures. For example, PNM has experienced large power transformer costs increasing ~25% since 2022. Utilities around the country face the same need that PNM does to replace and expand aging facilities and equipment. Growth in other industries, as well as growth among many large manufacturers and industrial customers, has also increased demand for the same types of equipment and facilities that PNM needs, driving up costs. Additionally, construction costs have increased, and competition for construction labor can lead to project delays, which in turn can drive costs higher. PNM reflects these market conditions in its estimates using the most current and project-specific information reasonably available, rather than applying a single general inflation factor to all T&D projects.

Q. What are some of the sources used for estimating costs associated with necessary land use for capital projects?

A. Every project that PNM constructs has some form of land right associated with it. Depending on the project and the land ownership, land rights can take various forms such as licenses, permits, easements, leases, or purchase of land in fee. Estimates for these types of land rights are based on historical information and market data.

Fees for licenses are generally determined as a matter of the administrative costs to the agency issuing the license. Permits, as with the Bureau of Land Management, reflect land use (*e.g.*, for grazing or agricultural use) and are based on market value. Estimates for easements are valued by professional appraisers and are based on market values or historically negotiated prices. Estimated lease rates are determined using market values and based on the rate of return an investor expects from their investment in the property. Estimates for leases can also be derived by income appraisal methods. When land acquisition is required, PNM staff review comparable sales in the area and, when necessary, secure formal appraisals. Estimates also include any support costs associated with land rights acquisitions such as surveys, re-platting, environmental studies, and contract reviews.

With regard to projects on public and Tribal lands, PNM's staff maintains relationships with local, Tribal, state, and federal land-use agencies. When a project is developed that involves land or land use managed by these entities, PNM discusses the specific project to understand the requirements that must be met as well as the typical schedule for submission and approval of a permit. Costs for anticipated mitigation efforts are included in the project estimate.

Q. What resources does PNM use for estimating the cost of non-typical equipment?

A. For specialty, non-typical equipment that is not routinely purchased by PNM, as part of the estimating process, PNM often contacts vendors to obtain information on costs and lead times. PNM may hold meetings with other utilities with similar installations, and also secures information through industry groups such as The Institute of Electrical and Electronics Engineers. As the project matures, formal Requests for Information ("RFIs") and/or Requests for Proposals ("RFPs") are issued to obtain pricing information and competitive bids. The responses to the RFIs and RFPs are used to select the most responsive vendor(s). Autotransformers are one example of items purchased through an RFP process. PNM also engages consultants to assist with detailed cost estimates for engineering, procurement, and/or construction for projects.

Q. How are construction costs for T&D capital projects estimated?

A. Construction may be performed with either in-house personnel or with experienced contractors. Part of developing a cost estimate includes determining who will perform the various construction activities. The decision to use in-house personnel or experienced contractors is based on resource availability, experience and specialty skill requirements, and contractual commitments. For projects constructed in-house, costs are typically estimated by the number of days the job is expected to take, crew size, job skills needed, and Company labor costs. Other factors in developing construction cost estimates include local versus out-of-town work, new construction versus system upgrades, availability of specialty contractors in the

time frame needed, and the potential need to work extended hours or weekends to accommodate system conditions. Contractor cost estimates are obtained through rate sheets and a competitive bidding process.

Q. How are engineering and construction management costs estimated?

A. Engineering and construction management may be performed by either PNM personnel or contractors. Typically, contractors are used to supplement PNM's staff. For in-house support, the engineering and construction management labor costs are estimated as a percentage of the equipment and construction costs. For external support, contractors may be contacted for high-level estimates or existing unit rates, and an estimate of hours and skills is applied.

Q. Does PNM include cost loads in its capital cost estimates?

A. Yes. Project estimates include applicable utility loads and overhead. The loads applied to capital projects are discussed by PNM witness Gutierrez.

Q. Please describe the process for developing cost estimates for distribution capital projects.

A. Like larger transmission and substation projects, the process for distribution line construction projects begins by determining the routing of a project in light of the overall project objective. Once the route is determined, an engineer or designer prepares a map of the proposed route. From the PNM designer's conceptual design,

the necessary equipment, structures, and materials required to meet the project objectives are determined. Most distribution projects use similar structures and equipment configurations. Accordingly, the Company has developed standard drawings and material lists.

The materials and standard construction configurations used are vetted by PNM's Distribution Standards Department to ensure facilities are constructed to meet current National Electrical Safety Code requirements and the designs are consistent with industry norms. From these standard drawings, PNM creates "Compatible Units" in its work management system. The designer uses the Compatible Units to construct the design map for the project. The work management system generates a complete material list and an estimate of the construction labor hours necessary to construct the project. The system applies the current material costs and specific labor rates to determine the PNM labor cost to construct the project.

Q. How are outside distribution contractor costs estimated?

A. The PNM project manager identifies the tasks to be performed by a contractor if necessary. Contractor work typically includes line construction, trenching or boring for underground distribution projects, as well as traffic control, removal and replacement of landscaping, asphalt and sidewalks, and tree trimming. The designer arranges to receive quotes for these tasks from approved PNM contractors.

Q. How are final estimated costs for distribution capital projects determined and reviewed?

A. Costs for contractor work along, with labor, material, right-of-way acquisition, and any necessary environmental surveys or permitting work, are entered into PNM's work management system. The work management system is a program used by PNM that compiles all the direct costs and applies labor rates and applicable loadings to calculate a final cost estimate. PNM employs a peer review process for distribution construction estimates. The review is usually conducted by a principal or senior-level engineer. In addition, the work is reviewed by the appropriate level manager prior to authorization for construction. Finally, PNM seeks input during the final design review through the construction phases of the process from other internal stakeholders such as system engineering, operations, construction, land services, environmental, regulatory, and others as needed.

Q. Does PNM take steps to ensure that its distribution-related material costs are reasonable?

A. Yes. PNM manages its distribution-related material costs through an agreement with a wholesale material supplier that provides the bulk of materials for distribution construction. This supplier also supplies materials to many other utilities and consequently has much greater buying power than PNM, helping to keep costs low. This allows PNM to reduce its on-site stock, which is primarily used for responding to emergency work. The supplier maintains stock on hand to

achieve the required availability rate of materials for PNM based on PNM's historical usage. PNM notifies the supplier in advance of major orders to help keep lead times to a minimum.

PNM performs quarterly audits of the supplier's pricing to verify its acquisition costs, mark-ups, and rebates or discounts are appropriate.

Q. Is it sometimes necessary to reallocate capital resources from one project to another?

A. Yes. PNM has a process for managing changes or "trade-offs" for unplanned emergent projects to ensure the funding of necessary, but unbudgeted, capital expenditures, while not exceeding the approved capital target for the year. The process is covered in detail by PNM witness Phelps. The process requires documentation of the need for the new expenditure, the identification of a budgeted project expenditure that will be reduced to accommodate the new expenditure, and proper approvals. As a result of this process, some projects may be delayed while others are accelerated, but the total amount of capital invested during the budget period should not change.

VI. T&D CAPITAL PROJECTS CLEARING DURING THE CAPITAL INVESTMENT PERIOD

Q. What do you address in this section of your direct testimony?

A. I explain and support the Company's capital investments included in the Capital Investment Period. I also describe the evaluation process for capital projects and discuss how the Company has begun evaluating certain capital projects utilizing the Copperleaf software, a cost-benefit analysis tool. Finally, I provide the justification and descriptions for all T&D capital projects in PNM Exhibit JFO-4 (Transmission) and PNM Exhibit JFO-5 (Distribution).

Q. What is Copperleaf and how does PNM use it?

A. Copperleaf is a decision-support software tool that PNM uses to perform benefit-cost analyses and support value-based capital investment decisions. PNM identifies the measurable benefits associated with a project and uses established metrics to translate those benefits, where practicable, into financial values. This allows PNM to calculate total benefits, net benefits, and a benefit-cost ratio ("BCR"), while also identifying how the project's benefits align with PNM's strategic objectives. Copperleaf evaluates those benefits over time on a net-present-value basis and compares them with the net-present-value cost of the investment. Benefits reviewed are based on the following six strategic objectives listed in PNM Table JFO-2 below. PNM can also use Copperleaf to evaluate different investment scenarios and provide additional transparency into how competing capital needs are balanced.

PNM Table JFO-2
Copperleaf Benefit Areas

Benefit area	What that means for a T&D project
Safety & Resiliency	Reducing safety hazards, equipment-failure consequences, wildfire exposure, security risks, and system vulnerability.
Reliability	Avoiding or reducing outages, outage duration/frequency, equipment failures, and improving system performance.
Affordable Energy	Avoided or reduced costs and other economic benefits that help provide service cost-effectively.
Evolving Customer Needs	Capacity and infrastructure needed for load growth, customer interconnections, electrification, and changing service requirements.
Sustainable Energy	Enabling renewable generation, storage, DER integration, and the transition toward cleaner energy resources.
Economic Growth	Infrastructure that enables new load, businesses, development, and economic activity in New Mexico.

Except as noted below, these strategic objectives inform virtually all PNM planning and investment strategies.

Q. How does PNM evaluate its capital investment for PNM-owned T&D projects?

A. PNM's process of strategic resource management, including short-term operational decision-making and longer-term capital investment planning, results in a balanced approach that leverages available resources while meeting customer needs and regulatory requirements. PNM considers six core strategic objectives listed in PNM Table JFO-2 to help us move to a clean and affordable energy future.

Q. What are the exceptions to the use of the strategic objectives outlined above?

A. Certain of the core investments for other operational needs within the Company are selected based on a "least-cost best-fit" basis. These include the core investments in new service delivery and customer programs as supported by PNM witness Sanchez and the core technology and general services investments as supported by PNM witness Phelps. The least-cost best-fit is the appropriate method for evaluation as these investments are core to the business, necessary to interconnect new customers, meet core requirements for systems, or fulfill core requirements to provide service to customers.

In addition, most of PNM's jointly owned facilities are managed through contract agreements with multiple participants. PNM is a voting member in those facilities. PNM does not propose potential investments for these facilities but reviews and approves proposed upgrades instead. PNM must then cover a share of the costs in proportion to its ownership percentage. The only exception is the San Juan 345 kV switching station for which PNM is the operating agent, with TEPCo as a co-owner. For this facility, PNM is responsible for planning proposed upgrades and submitting them to TEPCo for review and approval. TEPCo must then pay for a share of the costs proportional to its ownership percentage.

Q. How does PNM build its capital portfolio that addresses customer needs?

A. PNM promotes transparency in its capital investment decision-making. Requested funding for projects can outweigh available resources, and utilities are constantly faced with the challenge of balancing multiple priorities with finite resources. Being able to quantify the benefits of potential investments is essential to deciding among competing projects and conveying the basis for those decisions to stakeholders and regulators. This is especially true as PNM continues to move toward an integrated system planning approach, ensuring T&D planning is aligned with long-term resource decisions and ongoing asset management and customer-focused programs to ensure capital projects align and provide the optimal mix of investments to meet our customers' needs.

PNM utilized a value-based decision-making framework to enhance its selection of capital investment projects. The framework facilitates the standardization of risk and benefit analysis across capital projects and across various system planning areas to help inform how each capital investment is aligned with our consumer needs, which is, in turn, tied to a specific PNM strategic objective.

Q. Can you describe how benefits are calculated in the value-based decision-making framework?

A. When calculating benefits, we use industry metrics and measurements to quantify financial values. The terms value, benefits, and metrics in this context are often

interchangeable. It is anticipated that the quantification of benefits will be enhanced as PNM continues to refine these methods of optimizing investments to optimize the strategic objectives. While certain objectives are central and may have more weight or emphasis, it is also understood that there is a balance of safety, reliability, satisfying customer evolving needs, fostering economic growth, and affordability. The utilization of the Copperleaf model and the ability to develop scenario planning provides additional transparency when balancing the multitude of stakeholder interests. Please see PNM Exhibit JFO-6 for further explanation on the Copperleaf benefit quantification process.

Q. Has the Company performed a benefit-cost analysis for projects included in the Capital Investment Period?

A. Yes. PNM conducted a benefit-cost analysis performed at an individual capital project level, which is summarized at a system planning level. The benefit-cost analysis is performed to illustrate the results of the value-based analysis PNM is undertaking to analyze and evaluate its capital projects. The benefit-cost analysis helps support the underlying basis for the selection of the capital projects included in the Capital Investment Period. The benefit-cost analysis was completed using the Copperleaf software. This analysis is provided to provide the Commission and stakeholders with transparency in how PNM works to evaluate its investments and programs to meet our customers' needs. The benefit-cost analysis affirms that the projects in the Capital Investment Period are reasonable and necessary by

demonstrating net benefits to our customers. The capital budget documentation, as discussed by PNM witness Phelps and included in each capital budget witness testimony, provides the information and support for the reasonableness and necessity of each capital project included in this proceeding.

For projects evaluated in Copperleaf, the benefit-cost analysis provides additional evidence of quantified customer benefits and helps PNM compare competing investments. Not every project included in the Capital Investment Period has a calculated BCR. Certain projects are required by FERC or NERC requirements, duty-to-serve obligations, executed interconnection or transmission-service agreements, contractual obligations, or immediate reliability and safety needs. Those projects are supported by the applicable requirement or obligation and by the project-specific need, alternatives, estimate, and customer-benefit information provided in PNM Exhibits JFO-4 and JFO-5.

Q. Please describe what is meant by "specific" capital projects in your testimony.

A. Specific capital projects generally are those valued at or over $250,000, or that address an unforeseen unique or specific capital improvement necessary for the safe and reliable operation of the electric system. Examples of specific capital projects include transmission lines, substations, switchyards, large distribution feeder extensions, and larger equipment replacements or upgrades.

Q. Please describe what is meant by a "blanket" capital investment in your testimony.

A. Blanket investments comprise those costs that would not separately constitute a specific project. For example, a new transmission line or substation would constitute a specific project; however, repairing a single utility pole is not large enough to be a specific project and, therefore, would fall into the applicable blanket investment category. Blanket investments fall into three main categories: Distribution Blankets, Yearly Projects, and General Plant. Each category includes numerous projects that, on an individual basis, generally have a cost under $250,000.

Q. What do Distribution Blanket projects involve?

A. Distribution Blanket projects include line extensions for providing new or upgraded service, removal and replacement of distribution facilities as may be necessary after failure of equipment or for public improvement projects, minor system improvements for improving voltage or capacity levels, transformer purchases, meter purchases, emergent underground distribution cable and pole replacements of failed or failing equipment, cable and pole replacements, and streetlight installations and removals.

Q. What information does PNM provide to support T&D capital projects?

A. Descriptions of the forecasted Capital Investment Period clearings for all T&D capital projects can be found in PNM Exhibit JFO-4 (Transmission) and PNM Exhibit JFO-5 (Distribution). Each project is identified by its project name and project identification number. Detailed project information, including project justifications, estimated completion dates, alternatives reviewed, and budget figures by cost type, are hyperlinked from the project identification numbers on the table of contents sheet in the electronic versions of PNM Exhibit JFO-4 (Transmission) and PNM Exhibit JFO-5 (Distribution).

Select significant and representative T&D capital investments that clear during the Capital Investment Period are described below, organized by the areas of integrated system planning objectives of Distribution Plans, Transmission Plans, and Asset Management Programs.

A. Distribution Plans

Q. Please summarize the capital investments in the category of Distribution Plans included in the Capital Investment Period.

A. Distribution Plan investments are derived from distribution planning studies. These projects fulfill the requirement to provide safe and reliable services. There are 29 total planned projects in the category of Distribution Plans with a total investment

of approximately $137.5 million. PNM Table JFO-3 is a list of the Distribution Plan investments.

PNM Table JFO-3
Distribution Plans Capital Projects

Project #	Project Name	Clearings 07/2026-09/2028
10001626	CENT11 & VOLC11 Conductor Upgrade	$ 743,578.10
10001725	Project Array	$ 12,866.08
10002010	Four Hills 13 to Lawrence 14 Feeder	$ 871,703.92
10002022	Valencia Substation Rebuild	$ 6,432,439.05
10002327	Central Feeder Upgrades	$ 3,729,523.08
10005726	Westpointe Substation-DIST	$ 19,143,360.83
15102019	Tularosa 13 Ph Load Bal-Voltage Reg	$ 486,729.15
15105222	Alamogordo Substation Co1	$ 34,045,323.15
41001622	Caja Del Rio 13 Backbone Upgrade	$ (36.00)
41002015	Caja del Rio 11 to Beckner 12 FT	$ 3,594,184.73
41002023	El Dorado 12 Phase 2 Feeder Rebuild	$ 2,512,494.48
41002124	Beckner 14 Line Extension	$ 3,079,234.69
41002525	STPE12 HC Solution	$ 3,321,193.27
41002724	COLI13 Feeder Rebuild Phase 2	$ 938,330.92
41005324	STPE13 Feeder Rebuild	$ 8,528,764.74
60002124	Ideal Cement Sub Decommission	$ 257,204.01
60002325	Project Oppidan	$ 1,435,649.27
60002328	Tramway feeders	$ 3,050,181.91
60002424	St Cecilia 11 Re-conductor	$ 27,469.62
60002521	Prosperity Substation	$ 2,664,688.64
60002526	Project Ranger	$ 7,470,469.35
60002619	Sagebrush Station-Distribution	$ 2,233.79
60002626	Central 15 Feeder	$ 2,120,193.20
60002822	Tramway Substation	$ 9,311,234.45
60003126	Project Lola	$ 145,557.28
60003825	Valencia Distribution Feeders	$ 7,810,053.23
60005220	Palomas Station-Distribution	$ 7,845,434.12
60005240	Progress 2 Expansion CO1	$ 5,995,055.06
64807527	Claremont Building Demolition	$ 1,919,318.65

Q. Can you please provide a BCR and net benefits for the projects in the category Distribution Plans and associated measures aligned with the strategic objectives?

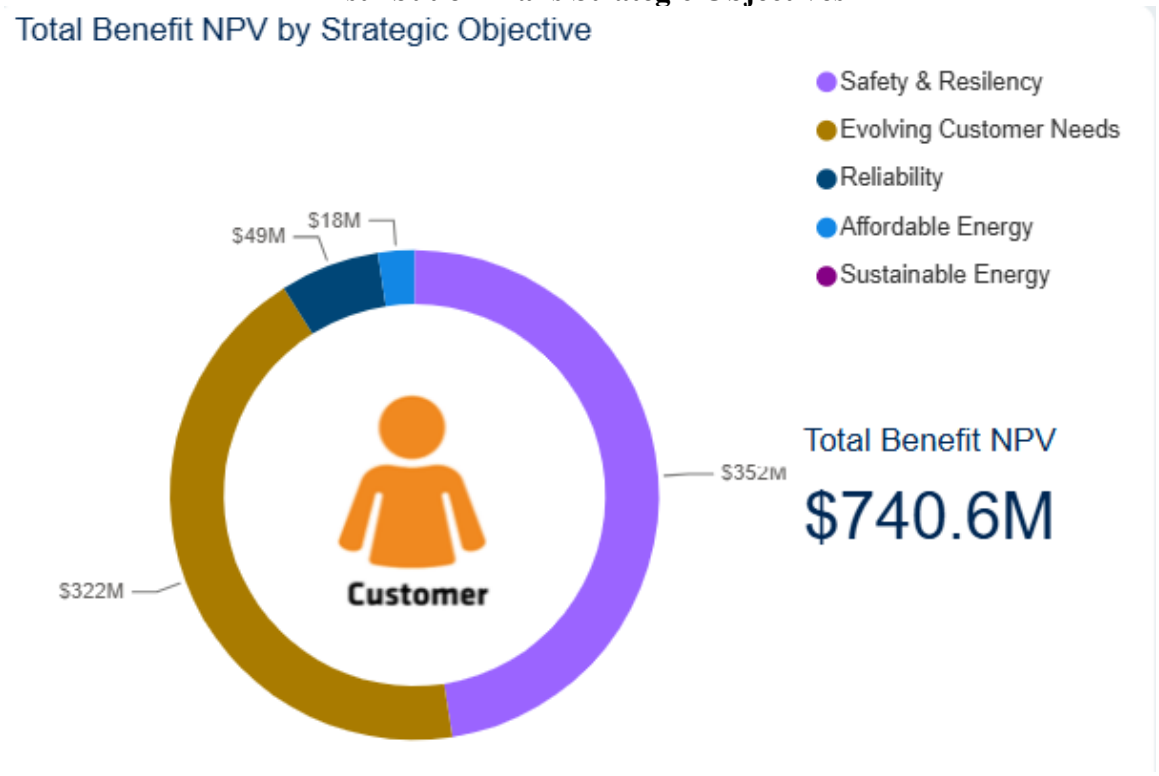
A. PNM Table JFO-4 contains the total capital clearing, total benefit on a net present value ("NPV") basis, total costs NPV, net benefits, and BCR for the capital investments in the Distribution Plans from July 2026 through September 2028. A BCR over 1.0 indicates the benefits outweigh the costs.

PNM Table JFO-4
Distribution Plans BCR

Program Area	July 2026 – Sept 2028	Total Benefit NPV ($)	Total Cost NPV ($)	Net Benefit ($)	BCR
Distribution Plans	$137,489,965	$740,581,849	$159, 913,425	$580,668,423	4.63

PNM Figure JFO-2 illustrates the Total Benefits NPV and the percentage of benefits in the Distribution Plans investments that contribute to each of the strategic objectives. The Distribution Plans capital investments generate $740.6 million in NPV total benefits.

PNM Figure JFO-2
Distribution Plans Strategic Objectives



Q. Please describe the types of projects that are included in Distribution Plans.

A. Projects in the Distribution Plans are derived from distribution studies. Contingency studies identify areas where feeder and substation capacity are not adequate to back up other feeders or substations. PNM also performs area studies to determine the best alternative to add substation capacity to an area to serve growing customer load safely and reliably. Solutions include feeder rebuilds or upgrades, feeder phase load balancing, and feeder ties. Examples include a feeder tie between Four Hills 13 and Lawrence 14 and the El Dorado feeder 12 rebuild.

Economic development is also a driver of Distribution Plan projects. As discussed in Part IV of my testimony, PNM is experiencing economic expansion, including typical load growth and economic development, and PNM's T&D systems have limited remaining capacity in many areas. Distribution Planning evaluates new and expanding commercial and industrial customer requests and updated area load forecasts to determine whether existing feeders and substations can reliably serve the new or increased load under normal and contingency conditions, consistent with PNM's distribution planning criteria. Where existing facilities are insufficient, solutions may include feeder extensions or upgrades, new feeders, additional substation transformers, or new distribution substations. Because many areas of the distribution system have limited remaining capacity, even modest load additions can require significant new infrastructure. Example projects in the Distribution Plan category driven by economic development include Project Oppidan and Project Ranger.

Based on the load growth in an area, the solutions may require the addition of new substations with new feeders and associated improvements such as the addition of a second transformer at the Tramway Unit Substation and the new Alamogordo Substation. When a new substation is required to serve customer load, the transmission planning team also conducts a study to determine transmission impact. The costs at a substation are broken into transmission and distribution capital projects based on voltage as prescribed under the FERC uniform system of accounts.

B. Transmission Plans

Q. Please summarize the capital investments in the category of Transmission Plans included in the Capital Investment Period.

A. The Transmission Plans investments are typically derived from transmission studies and requirements to provide safe and reliable transmission capacity for customers and interconnectors. There are 23 total planned projects in the category of Transmission Plans with a total investment of approximately $282.6 million. PNM Table JFO-5 is a list of the Transmission Plans investments.

PNM Table JFO-5
Transmission Plans Capital Projects

Project #	Project Name	Clearings 07/2026-09/2028
22007722	Alamogordo Substation Co2	$ 31,931,651.36
64807625	FERC-881 AAR	$ 973,362.46
64808522	Tramway Substation	$ 2,290,374.94
64809026	Progress 2 Expansion CO2	$ 9,143,986.49
65007124	Prager to Richmond Line Upgrade	$ 8,187,158.53
65007150	Star Light Interconnection Expansion	$ 2,268,368.82
65007326	Sunbelt San Juan 345kV Interconnect	$ 4,493,768.93
65007626	TPL1 Breaker Replacements	$ 15,322,222.15
65007627	TPL1 P5 Relay Upgrades	$ 958,892.47
65007826	Windy Lane Interconnection	$ 75.84
65007926	Fox Tail Interconnection	$ 3.88
65008026	Four Mile Mesa Interconnection	$ 577.38
65008325	LANL 115kV Interconnection	$ 7,235,232.61
65008994	San Juan Solar	$ 77,974.65
65009030	EP Line Termination	$ 4,405,021.68
65009126	Central 115-12kV Substation Rebuild	$ 9,745,685.08
65009319	Palomas Station-Transmission	$ 4,132,465.24
65009424	Valencia Substation Rebuild – Trans	$ 11,956,916.80
65009440	Sun Lasso Interconnection	$ 21,465,375.25
65009540	Bernalillo Interconnection	$ 5,843,200.93
65009740	Westpointe Substation-TRN	$ 28,869,567.10

Project #	Project Name	Clearings 07/2026-09/2028
65009926	Los Lunas Capacity Expansion Phase 5	$ 113,223,190.18
65009950	Los Lunas Capacity Expansion Phase4	$ 53,262.55

Q. Can you please provide a BCR and net benefits for the projects in the category Transmission Plans and associated measures aligned with the strategic objectives?

A. PNM Table JFO-6 contains the total capital clearing, total benefit NPV, total costs NPV, net benefits, and BCR for the capital investments in the transmission plans from July 2026 through September 2028. A BCR over 1.0 typically indicates the benefits outweigh the costs. A large portion of the transmission plan projects, those required through FERC obligations, a duty to serve, or other obligations, do not have an independent BCR value. Instead of being scored through a value model approach, they were studied on a "Least Cost" basis. This means looking at the most cost-effective project to meet the required need. The table below shows the overall BCR for the Transmission Plans project category.

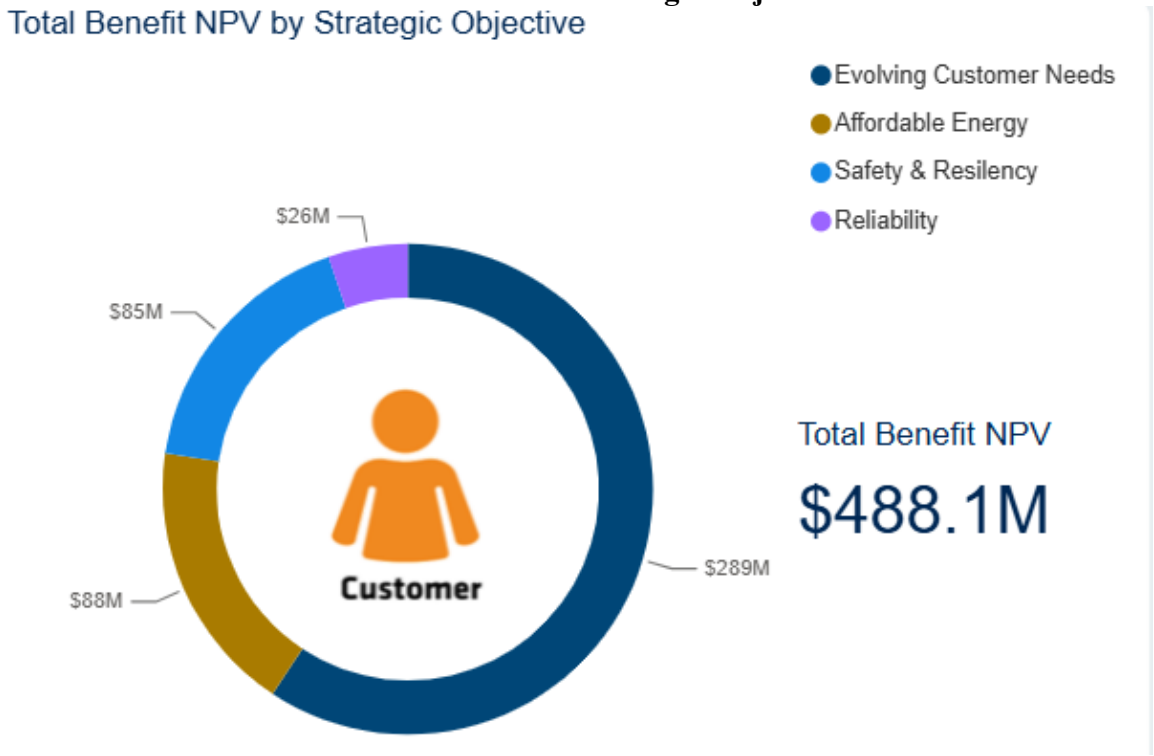
PNM Table JFO-6
Transmission Plans BCR

Program Area	July 2026 – Sept 2028	Total Benefit NPV ($)	Total Cost NPV ($)	Net Benefit ($)	BCR
Transmission Plans	$282,578,184	$488,132,578	$289,579,229	$198,553,349	1.69

PNM Figure JFO-3 illustrates the Total Benefits NPV and the percentage of benefits in the Transmission Plans investments that contribute to each of the

strategic objectives. The Transmission Plans capital investments generate $488.1 million NPV total benefits.

PNM Figure JFO-3
Transmission Plans Strategic Objectives



Q. Please describe the types of projects that are required in Transmission Plans.

A. Transmission Plan projects are derived from studies completed by Transmission Planning from a broad range of drivers. Several Transmission Plan projects cover the transmission assets associated with the Distribution Plan investments. The transmission-level costs are recorded under a transmission project number based on their voltage, as prescribed under the FERC uniform system of accounts. This includes transmission voltage equipment in distribution substations. Example

projects in the Transmission Plan category that support Distribution Plan investments are Alamogordo and Tramway Substations.

Another driver of Transmission Plan projects is Large Generator Interconnection Agreements ("LGIAs") and executed transmission service agreements. Transmission planning studies large generator interconnection requests in clusters per applicable FERC requirements and transmission service requests independently. These studies identify the facilities required, their cost, and related allocation. After the study stage, projects may provide PNM notice to proceed and financial security. At that point, PNM must proceed to execute the interconnection. Example projects related to LGIAs and transmission service requests include the Star Light Interconnection Expansion, the Sunbelt San Juan 345 kV Interconnection, and the LANL 115 kV interconnection.

Another driver of Transmission Plan projects is load growth and economic development. As discussed in Part IV of my testimony, PNM is experiencing economic expansion, including typical load growth, and PNM's T&D systems have limited remaining capacity in many areas. Transmission planning evaluates large-load service requests and updated load forecasts to determine whether the existing transmission system can reliably serve the new or increased load under normal and contingency conditions, consistent with NERC and WECC planning standards. Where existing facilities are insufficient, solutions may include new or expanded

transmission substations, transmission line extensions or taps, transformer additions, and line upgrades. Because many areas of the system have limited remaining capacity, even modest load additions can require significant transmission infrastructure. These investments align with PNM's Economic Growth strategic objective by providing the infrastructure that enables new load, businesses, and economic activity in New Mexico. Example projects in the Transmission Plan category driven by load growth and economic development include the Los Lunas Capacity Expansion Projects.

A fourth driver of Transmission Plan projects is projects identified through NERC-related studies or FERC orders in order to maintain compliance with federal regulations. Transmission planning completes annual TPL-001 system studies to identify potential facilities that need to be upgraded in current capacity, short circuit capability, or contingency requirements. Example projects related to NERC studies and requirements include the Prager to Richmond Line Upgrade, the TPL1 Breaker replacement, and the TPL1 P5 Relay Upgrades. Also, FERC will occasionally issue orders targeting certain processes, procedures, or operations to improve the reliability of the grid. The FERC 881 - AAR project is one of those.

C. Asset Management Programs

Q. Please describe PNM's asset management programs.

A. PNM's asset management programs on the T&D systems are aimed at improving overall T&D system health and reliability, incorporating security, ensuring regulatory compliance, and positioning the T&D system to meet future customer demands. In most areas, the current system is not capable of accommodating additional load without the potential to decrease overall system reliability. As an example, PNM plans to rebuild numerous legacy distribution substations to modern standards, which in many cases will also facilitate improved system configuration. This ultimately increases system reliability by reducing customer outage frequency or duration. Physical and cyber security protections are integrated into the design standards, which help mitigate the risks that could lead to customer outages and/or increase restoration times for customers. The substation rebuilds will include installing physical and cyber security measures and, where possible, adding line sectionalizing circuit breakers to reduce the effect of transmission line trips on distribution customers.

The Company's asset management and system reconfiguration efforts are being implemented in conjunction with equipment renewal and replacement, including for poles, wires, and cables; circuit breakers, circuit switchers, transformers, and line reclosers; system protection upgrades; control buildings; switchgear; miscellaneous substation and line equipment; and distribution system automation.

Projects are selected based on the age and health of the equipment and capacity needs in order to optimize and prioritize the areas with the most need. PNM is investing additional capital and O&M for wildfire mitigation to safeguard our communities and infrastructure.

Q. What types of asset management programs does PNM use?

A. In the normal course of business, PNM tracks and plans the timely and cost-effective methods of managing equipment to reduce risk and ensure safe, reliable, and resilient electric service. The Asset Management projects in my testimony fit into four groupings:

- The Jointly Owned Transmission - Asset Management projects are required to support the continued safe and reliable operation of the transmission lines jointly owned by PNM and others. PNM is contractually obligated to cover the cost of upgrades and operations according to the company's ownership share on these systems.
- Emergent Project - This grouping includes replacement of major pieces of equipment (transformers, reactors, breakers) that are determined to have failed or are in imminent risk of failure. Most of the equipment being replaced in these projects is out of service. PNM must address these needs in order to maintain the level of reliability for customers.
- Blankets - PNM must also address smaller emergent issues related to equipment failure, outages, or emergent issues that present a risk to safety,

health, or reliability of the electric system. Blankets are made available to cover lower-cost equipment and provide a vehicle for quick response in order to safeguard safety, health, and reliability of the electric system.

- Programs - PNM utilizes asset programs for proactive, risk-based asset replacement, strategic spare equipment, and system rebuilds intended to address aging, deteriorating, obsolete, or higher-risk assets before failure and reduce the likelihood and consequences of future emergent equipment needs. This subgroup includes projects aimed at asset replacements that help mitigate wildfire risk.

Q. How do PNM's Asset Management Programs relate to its Emergent Projects?

A. PNM's Asset Management Programs are intended, in part, to reduce the need for future emergent replacements by proactively identifying and replacing aging, deteriorating, obsolete, or higher-risk assets before they fail in service. PNM prioritizes these investments using information such as asset age, condition, performance, criticality, and the potential consequences of failure. This allows PNM to direct capital toward assets presenting greater risk rather than waiting for equipment to fail. However, proactive asset management cannot eliminate all equipment failures or emergent capital needs. Equipment may fail unexpectedly or be damaged by external events or abnormal system conditions that are not attributable solely to age or asset condition. When a major asset fails or is determined to be at imminent risk of failure, the necessary replacement is addressed as an Asset

Management - Emergent Project. The Programs and Emergent Projects therefore represent complementary aspects of PNM's asset-management strategy: Programs are intended to identify and address foreseeable asset risks before failure, while Emergent Projects address significant asset needs that could not reasonably be resolved through the planned replacement process.

In addition, PNM's proactive replacement programs can reduce the consequences of faults and equipment failures elsewhere on the system. For example, modern protective relays and faster-operating circuit breakers can detect and clear faults more quickly, limiting the duration of fault current and reducing the potential for damage to adjacent equipment. Although these investments cannot prevent every equipment failure, they can reduce the likelihood that an individual failure develops into a larger outage or causes additional equipment damage.

D. Asset Management – Jointly Owned Transmission

Q. Please summarize the capital investments in the grouping of Asset Management - Jointly Owned Transmission included in the Capital Investment Period.

A. There are four projects for a total of $17.4 million for the Jointly Owned Transmission facilities. PNM Table JFO-7 lists the Jointly Owned Transmission capital projects.

PNM Table JFO-7
Asset Management - Jointly Owned Transmission Capital Projects

Project #	Project Name	Clearings 07/2026-09/2028
65006110	ANPP Transmission blanket	$ 7,982,686.88
65006210	SW NM Transmission Blanket	$ 9,350,652.75
67607641	SJ Switchyard Capital 26-02	$ 96,428.94
65007224	EPE EP Line Relay Upgrade	$ 240.77

These projects have been determined to be necessary and reasonable and approved by the owners of these facilities and PNM is contractually obligated to pay its share of these investments as itemized above.

E. Asset Management - Blankets

Q. Please describe examples of Asset Management – Blankets capital investments.

A. Individual projects that are less than $250,000 and common scope are grouped into blankets by asset type or voltage class. Asset Management – Blankets are utilized to address emergent issues following equipment failure, identified risk, or unforeseen issues. Examples include blankets on emergent transmission structure replacements, relay failures, and minor obsolete communications equipment replacements. The majority of blanket-type projects are covered in PNM witness Gray's testimony. The blankets covered in my testimony are led and executed by PNM Engineering. The blankets covered in PNM witness Gray's testimony are led and executed by PNM Operations.

Q. Please summarize examples of the capital investments in the grouping of Asset Management – Blankets included in the Capital Investment Period.

A. There are 7 capital projects planned in the grouping of Asset Management – Blankets in my testimony for a total of $17.9 million. PNM Table JFO-8 is a list of Asset Management – Blankets capital projects.

PNM Table JFO-8
Asset Management - Blanket Projects

Project #	Project Name	Clearings 07/2026-09/2028
60001627	Distribution Telecom 2027-2028	$ 4,961,473.49
60001726	Distribution Telecom 2026-2027	$ 10,266,830.95
60002046	Distr Comm Improvement 2026-2030	$ 201,409.87
60003621	Distr Comm Improvement 2021-2025	$ 239,947.97
65007644	Transm Comm Improvement 2026-2030	$ 1,555,376.02
65008018	Transmission Communication Improvem	$ 42,621.80
65008021	Transm Comm Improvement 2021-2025	$ 626,799.22

F. Asset Management – Emergent Projects

Q. Please describe the type of investments included in the Asset Management – Emergent Projects subgroup.

A. The projects in this subgroup include replacement of equipment that has failed in the field or has been determined to be at imminent risk of failure through tests, analysis, or studies. The equipment in question may already be out of service, potentially affecting customer reliability or system stability.

Q. Please summarize the capital investments in the grouping of Asset Management – Emergent Projects included in the Capital Investment Period.

A. There are 13 capital projects planned in the grouping of Asset Management – Emergent Projects for a total of $38.5 million. PNM Table JFO-9 contains a list of these projects.

PNM Table JFO-9
Asset Management - Emergent Projects

Project #	Project Name	Clearings 07/2026-09/2028
41002824	Mejia 115kV Transformer LTC Failure	$ 300,776.73
60001925	Rodeo Substation Rebuild CO1	$ 14,063,350.85
64807222	WW Reactor Breaker Replacement	$ 3,402,066.52
64807225	Failed Sta Equip Replcmt Progm 2025	$ 1,087,609.32
64807226	Rodeo Substation Rebuild CO2	$ 5,156,678.22
64807325	Luna GT 2 GSU Transformer CO2	$ 51,076.45
64807626	YTH Failed Breaker Replacement	$ 4,373,543.84
64808026	Guadalupe Reactor Replacement	$ 3,056,688.35
64808126	Ojo Reactor Replacement	$ 3,208,881.60
65009725	Broken equipment replacement fund	$ 982,321.27
67607026	San Juan Control House Improvements	$ 1,020,534.55
67607626	San Juan 345kV Live Tank Breakers	$ 1,354,816.96
67607640	SJ Lightning and Backup Power 26-01	$ 423,656.57

G. Asset Management - Programs

Q. Please describe the T&D systems' current protection relays and the protection upgrades the company has included in the capital investments for the T&D systems.

A. Nearly every major component on PNM's T&D system must be monitored and protected by a protection system, generally comprised of protective relays, voltage and current sensing devices (instrument transformers for the relays), a direct current (DC) supply, DC control circuitry to breaker(s) or other interrupting devices, and communications systems necessary for correct operation of the protection system. PNM's protective relays include electromechanical protection relays, solid-state

(electrostatic), and various vintages of microprocessor protective relays. The electromechanical relays are increasingly obsolete, and many are no longer supported by their manufacturers. This makes spare parts expensive and difficult to find, and many are reaching the end of their useful lives. With NERC-mandated reliability standards becoming increasingly more demanding and prescriptive for utility operations, it is imperative that these aging relays be replaced. The Company's replacements are intended to improve reliability, system operating performance, safety, and PNM's ability to meet compliance obligations.

PNM has systematically replaced legacy relays as part of its distribution and transmission relay protection upgrade programs. These programs include installing new relay panels using developed, standardized, state-of-the-art protection schemes with redundant functionality to improve reliability and performance. The distribution relay replacement program includes retrofitting inserts with new relays into existing unit substation switchgear, extending the switchgear's useful life.

From the start of 2024 through 2026, PNM installed approximately 260 relays as part of the T&D relay replacement programs. For 2027 and 2028, PNM is planning to install approximately 337 relays on the transmission, sub-transmission, and distribution system. Transmission relay replacement programs are separated into two different classes. The first class proactively targets specific stations with obsolete relays and a history of outages, such as the Sandia and Zia 46 kV relay

replacement projects. The relays at these stations protect some of the lines with the largest transmission contributions to the System Average Interruption Duration Index, commonly referred to as SAIDI, and therefore have the worst reliability metrics. The second class targets relays protecting lines that traverse high fire risk areas (HFRAs). The lines are prioritized using ignition-risk metrics.

The Company's replacements improve reliability and enhance safety for PNM personnel and equipment. When these relays fail in service, they are unable to clear faults, which then requires backup protection systems to clear the faults. During an event, due to delays or equipment failure, fault current continues to flow through the affected infrastructure, resulting in longer and larger outages and potentially causing injury to the public and personnel and damage to equipment. The extended time this energy remains in the system also increases the risk of ignition of a wildfire.

Q. Please describe the replacement of PNM's transformers, circuit breakers, circuit switchers, and line reclosers.

A. PNM has nearly 560 transmission circuit breakers installed in substations that connect the power lines and control power flow. Approximately 15% of these circuit breakers are past the end of their service life (assuming a 50-year life) and have limited useful operating life remaining. Most of the breakers being replaced under PNM's programs are nearing 70 years old, well past the 50-year useful life.

These circuit breakers use obsolete technology, such as oil-filled breakers, that now require frequent and resource-intensive maintenance. There are two main ways that a breaker can fail while in service. First, the breaker's internal insulation may fail, leading to an internal or external fault. Due to the fault being on the breaker, the next layer of protection must operate, leading to larger and longer outages. Secondly, a component within the breaker operating mechanism may fail to work when required to operate. This failure mechanism might not cause a fault in the moment but may result in larger and longer outages when a fault happens on the line and the breaker does not properly respond to the trip signals from the relays.

To improve system reliability, breakers will systematically be replaced with modern, faster-operating circuit breakers that require less maintenance. Modern circuit breakers with faster operating times have numerous benefits over slower operating breakers in that they reduce the impact of faults on system voltage and reduce damage to equipment during fault conditions. Faster operation provides additional benefits such as increased safety to Company employees and the public. In many instances, the circuit breakers' interruption and current-carrying capabilities will be exceeded as the load on the PNM system increases, which could result in catastrophic equipment failures and/or cascading system outages if not proactively addressed. These projects are listed under the "Transmission Plans" section of this testimony. Similarly, many of the circuit switchers, which are primarily used to connect distribution transformers to the transmission system, are

nearing the end of their useful life. These will be systematically replaced with new equipment or phased out and replaced with circuit breakers where appropriate. Often this happens along with replacement of the transformer.

PNM's fleet of autotransformers and distribution transformers is, on average, over 38 years old, with approximately 35% of transformers being over 50 years old. These transformers are nearing the end of their useful lives, and many of them are showing typical symptoms of aging. To maintain and improve system reliability, PNM is proactively replacing the transformers most at risk of failure to minimize customer outages, potential damage to equipment, and potential injury to employees. New standardized, larger-capacity transformers will be installed in place of many of the smaller transformers that are currently becoming overloaded to accommodate increased loading. PNM is prioritizing those transformers that are past their expected life and have capacity constraints. In addition, PNM is purchasing additional strategic spare transformers to ensure system resilience in case of unexpected failures of transformers. This is critical, especially in today's environment, where lead times continue to increase. For example, the wait times for large power transformers have increased from 120 weeks to 184 weeks since 2022 and continue to increase.

PNM has 321 hydraulic line reclosers installed in strategic locations along its distribution lines. The replacement of this equipment is aimed at maintaining and

improving reliability and safety. The majority of these reclosers are still currently utilizing 30- to 40-year-old hydraulic operating mechanisms which in recent years have been increasingly unreliable. They are now becoming prone to delayed opening when called upon to open a line or interrupt a fault. The delay results in extended and unnecessary outages that will increase the severity and number of unplanned distribution line outages if the operating mechanisms are not replaced. Despite efforts to replace breakers, more than 25% of PNM's distribution switchgear feeder breakers are now over 30 years old, with almost 10% over 50 years old. The operation of these facilities is becoming less reliable due to age and wear. The age and state of these circuit breakers in confined switchgear locations present an increased risk of potential catastrophic arc flash-type failures. Continued use of these breakers increases the risk of unplanned outages and could present a safety risk to employees.

Q. Is the Company replacing other facilities and equipment to help assure safety and reliability?

A. Yes. Like the transformers and circuit breakers, PNM has thousands of other aging pieces of substation equipment that have been or will be replaced with modern and more reliable equipment during substation improvement and reliability upgrade projects to improve system reliability. This equipment includes capacitor banks, voltage transformers, metering systems, surge arresters, insulators, batteries, area cable replacements, and disconnect switches.

Q. Are there other upgrades the Company is implementing on its T&D systems?

A. Yes. In conjunction with many of the equipment upgrades and replacements on the distribution system I discuss above, PNM is strategically implementing enhanced monitoring and remote-control capabilities for transmission equipment, as well as automated control systems throughout the distribution network to enhance system performance. These upgrades facilitate faster system restoration following outages and enable integration of future smart grid developments as those technologies mature and can be utilized for the benefit of our customers.

Q. Please summarize the capital investments in the grouping of Asset Management - Programs included in the Capital Investment Period.

A. There are 26 capital projects planned in the grouping of Asset Management - Programs in my testimony for a total of $112.8 million. PNM Table JFO-10 is a list of Asset Management - Programs capital projects.

PNM Table JFO-10
Asset Management Programs

Project #	Project Name	Clearings 07/2026-09/2028
10002421	Sandia 46kV Breaker Replacement	$ 7,058,841.59
10003020	ELDO12 Feeder Rebuild	$ 478,586.97
10003225	Sandia 46kV Relay Replacement	$ 2,946,860.90
10003521	LSCH12 Feeder Rebuild	$ 82,477.07
10005821	ISLE12 Feeder Rebuild	$ 3,331,783.11
41001721	FOMA13 Feeder Rebuild	$ 2,302,098.53
41005525	Zia Substation Rebuild CO1	$ 14,801,968.30
60001725	Sub-Transmission Recloser Install	$ 1,355,653.63
60003113	Morris 12 Feeder Rebuild	$ 10,687,836.72
60003625	Distribution HFA Feeder Relay Rplc	$ 1,699,071.43
60004325	Zia 46kV Relay Replacement	$ 6,153,354.86
60005324	Distribution Relay Upgrades	$ 14,146,882.61

Project #	Project Name	Clearings 07/2026-09/2028
64807425	Transmission Pole Replcmt Prog 2025	$ 612,225.99
64807642	Guadalupe SVC Backup Generator	$ 1,680,188.55
64809324	Zia and MD1 Control House Replcmt	$ 7,620,808.31
64809527	Transmission HFA Relay Replace 2027	$ 12,735,664.94
65007047	WM 115kV Trans	$ 547,949.30
65007050	RTU Program	$ 256,794.76
65007123	AW 115kV Structure Replace Phase 1	$ 6,648,208.02
65007219	New Sandia 115 kV Control House	$ 2,349,901.20
65009050	Zia Substation Rebuild CO2	$ 12,245,631.62
65009925	Transmission Line Pole Replcmt 2025	$ 2,985,363.49
67607625	San Juan Stn Switchgear Replacement	$ 51,249.74
65008143	NERC Physical Security 24-28	$ (1,034.75)
65008392	West Mesa Control House Replacement	$ 17,126.99
65008425	Storage for Long Lead Equipment	$ 14,484.47

Q. Can you please provide a BCR and net benefits for the projects in the category of Asset Management and associated measures aligned with the strategic objectives?

A. PNM Table JFO-11 below contains the total capital clearing, total benefits NPV, total costs NPV, net benefits, and BCR for the capital investments in the Asset Management category from July 2026 through September 2028. A BCR over 1.0 indicates the benefits outweigh the costs. The BCR for these programs is 1.74.

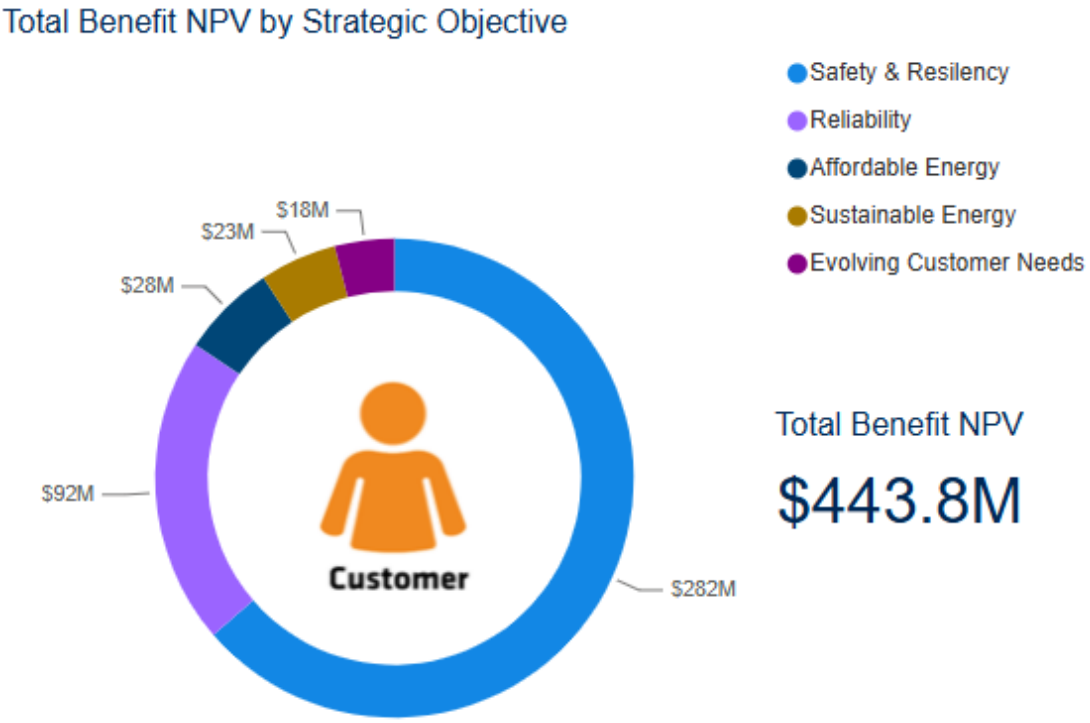
PNM Table JFO-11
Asset Management - Programs BCR

Program Area	July 2026 – Sept 2028	Total Benefit NPV ($)	Total Cost NPV ($)	Net Benefit ($)	BCR
Asset Management Programs	$186,615,967	$443,828,075	$254,788,778	$189,039,297	1.74

PNM Figure JFO-4 illustrates the Total Benefits NPV and the percentage of benefits in the Asset Management - Programs investments that contribute to each

of the strategic objectives. The Asset Management - Programs capital investments generate $443.8 million NPV total benefits.

PNM Figure JFO-4
Asset Management - Programs Strategic Objectives



Q. Please describe PNM's distribution and transmission line rebuild plans.

A. PNM has been engaged in a multi-year plan to rebuild distribution and transmission lines. Facilities designated for replacement are prioritized based on age, historic performance, customer impact, and strategic criticality to the overall system. These replacement activities are aimed at improving the reliability of our transmission and distribution lines and providing improved safety to the public and our employees by reducing the risk of line structures failing and falling on public property or people, or causing wildfires in vegetated areas.

The Company's transmission and distribution poles that are more than 40 years old need to be replaced or maintained to ensure they remain functional and to ensure the continued safety of our customers. Overhead conductors on distribution lines that are generally greater than 30 years old will be systematically replaced or upgraded on a risk-prioritized basis. Transmission lines that are generally greater than 50 years old will be systematically replaced or upgraded on a risk-prioritized basis as well. Cross arms, insulators, switches, and miscellaneous equipment are replaced during the line rebuild.

Q. Will PNM's distribution systems require other line replacements?

A. Yes. PNM has over 6,000 miles of underground distribution cables, and almost 40% are past the end of service life. These direct buried cables are starting to fail at an increasing rate, causing damage and reducing the life expectancy of adjacent cable systems. This results in an increase in the number and duration of customer outages. PNM is heavily focused on systematically replacing aging underground cables and installing cables inside conduits with increased current-carrying capacity to provide increased load-carrying capacity, improved reliability, and resiliency for customers. Underground feeders are often looped back to provide safety and resiliency for workers and customers. These replacements are intended to improve the reliability of the underground distribution system and reduce the number of unplanned customer outages caused by failing underground cables.

Small-scale replacement of subdivisions or subsections of a feeder is covered under the Programs.

Q. Are distribution and transmission lines rebuilt to new standards?

A. Yes. PNM teams continuously track modern design standards and update the design standards for transmission, substation, and distribution designs. Modern standards increase efficiency and capacity when rebuilding legacy distribution, transmission, or substation facilities. The incremental capacity and benefits are necessary to serve the increasing load density and evolving customer needs. While the modern design standards cannot solve all the capacity and emerging requirements for electric vehicle charging and electrification, there is an incremental benefit.

Q. Does the capital investment plan include the rebuild or replacement of distribution substations?

A. Yes. Many of PNM's distribution substations were built 40 to 60 years ago and have transformers, switchgear, and protection schemes that are nearing their life expectancy. In some cases, the benefits are higher to rebuild the entire substation to modern design standards with a standardized protection scheme, standardized transformer rating, and associated equipment. Modern substations provide enhanced security, protection, reliability, and needed capacity to serve evolving customer needs.

Q. Does the capital investment plan include replacements and enhancements to substations and switchyard controls?

A. Yes. Many of PNM's substation control buildings were built decades ago and do not have sufficient floor space to accommodate upgraded protection schemes, installed as new line or station facilities are added, or as obsolete electromechanical protection schemes are replaced with microprocessor-based schemes. In most instances, these control houses do not have any means of climate control, nor can they be retrofitted in a cost-efficient manner. In some instances, the electrical wiring in these buildings contains asbestos materials. PNM's investment plan includes the replacement of these control buildings with new modern substation control buildings in conjunction with or in preparation for protection system upgrades and to accommodate physical or electronic security components. These replacements are driven by reliability, safety, security, and load growth needs.

VII. O&M Expenses for T&D

A. Overview of PNM O&M Expenditures

Q. What O&M expenses do you support in this proceeding?

A. I support the operational need for the incremental O&M expenses associated with T&D Planning and Load Forecasting, Transmission Engineering and compliance, Strategic Asset Management training, BESS maintenance and monitoring, third-party service agreements, third-party transmission service, and the operational need for the right-of-way expenses discussed in my testimony. PNM witness Gray

separately supports the Asset Management, Capital Expansion/Maintenance, wildfire-mitigation, and Grid Modernization O&M expenses addressed in his testimony. PNM witness Gutierrez presents the supporting calculations, accounting and jurisdictional treatment, and the amounts included in PNM's Test Period revenue requirement.

Q. What incremental O&M increase do you support for the Test Period?

A. I support an incremental increase of approximately $2.76 million above the Adjusted Base Period for the O&M categories described in this section. PNM Table JFO-12 summarizes the individual categories and amounts.

PNM Table JFO-12
Incremental O&M

Category	Labor	Non-Labor	Grand Total
Asset Hardening		$ 16,800	$ 16,800
Grid Expansion/Maintenance	$ 262,266	$ 2,479,636	$ 2,741,902
Grand Total	**$ 262,266**	**$ 2,496,436**	**$ 2,758,702**

Q. Please describe typical O&M expenditures associated with PNM'S T&D operations.

A. O&M expenses for T&D in my testimony include the labor expenses of PNM employees and contract workers that directly support the functions that complete planning and interconnection studies on PNM's T&D systems and the ones that complete all protection compliance tasks and complete all protection design on PNM's distribution and transmission substations and lines. In addition, O&M

expenses include third-party maintenance and monitoring costs of BESSs owned by PNM.

Q. Please describe the process that PNM uses to develop its O&M budget for T&D expenses.

A. PNM's O&M budget is developed through a multi-step process. Each department within the PNM T&D organization reviews data from previous years and evaluates known changes. Each department then adjusts the projection based on historical data for known variances that may typically include factors such as scheduled maintenance work and additional contract studies. This information is input into PNM's budgeting system and costs are typically projected for five years using standard escalation rates for these components. PNM witness Gutierrez addresses the escalation rate for labor and non-labor costs. Examples of categories that are reviewed include staffing levels, payroll (*i.e.*, labor costs, including both straight time and overtime), outside services, employee expenses, equipment, and materials. Senior management must review and approve the final O&M budget.

Q. How does PNM monitor and control O&M costs?

A. PNM constantly monitors its O&M expenditures and reviews all aspects of its operations for potential savings. The T&D leadership team reviews the O&M budget with department heads monthly and quarterly. The purpose of these reviews is to monitor T&D O&M expenses and ensure expenditures are reasonable and

within expected amounts. Appropriate efforts are made to help ensure that the O&M expenditures remain within budget.

Q. What incremental increase in expenses is related to T&D Planning and Load Forecasting?

A. The increase in complexity and volume of economic development inquiries, large- and small-scale interconnection requests, system studies, and load forecasting requires additional resources to produce these studies and execute interconnection contracts effectively within PNM planning and load forecasting teams. PNM is adding two full-time positions for an integrated Transmission Distribution Generation planning team. The estimated incremental increase in labor and non-labor O&M for T&D Planning and Load Forecasting is $166,805 for the Test Period.

Q. What incremental increase in expenses is related to T&D Design and Compliance?

A. NERC compliance requirements continue to increase. The number of standards that our protection team supports as subject matter experts has increased by three standards. This is in addition to an already heavy compliance load. PNM is adding two full-time positions in the protection engineering team within transmission engineering in order to cover the increase in compliance obligations. These positions will add needed internal capacity, improve ownership of recurring

technical and compliance responsibilities, and reduce the likelihood that due dates, evidence packages, corrective actions, or project deliverables are delayed because the same engineering resources are being pulled between competing priorities. The estimated incremental increase in labor O&M for Transmission engineering positions is $95,461 for the Test Period. PNM is also requesting an additional $16,800 for technical training for the Strategic Asset Management Department. This will fund continued development of the department to provide support on changing technologies such as an increase in system monitors and ambient adjusted line rating applications.

Q. What incremental increase in expenses are related to maintenance and monitoring at new BESS facilities?

A. The increase is primarily associated with new BESS facilities being placed in service. These facilities add equipment that must be continuously monitored and periodically inspected, tested, and maintained to ensure safe and reliable operation. As PNM adds BESS facilities, the associated maintenance and monitoring requirements create incremental O&M expenses. This will be done through third-party service agreements. New facilities covered include the Sandia Energy Center, Sunbelt, and distribution-sited batteries at the existing Otero, Deming, Meadow Lake, Rio Communities, and San Miguel sites.

VIII. RIGHT-OF-WAY RENEWALS AND LONG-TERM LIABILITIES

Q. What right-of-way expenses are included in PNM's Test Period request?

A. PNM's Test Period request includes expenses associated with rights-of-way required to access, operate, inspect, maintain, repair, and replace PNM's transmission and distribution facilities. These expenses include costs associated with the Navajo right-of-way contractual arrangement, Distribution rights-of-way, and Transmission rights-of-way. The forecast includes contractual and periodic payments, amortization of existing right-of-way costs, and certain limited renewal activity. PNM Exhibit RNG-4, WPs OM-14, OM-15, and OM-16 provide the supporting calculations.

Q. Do all of the forecast right-of-way expenses represent new or substantial renewals during the linkage period and Test Period?

A. No. The forecast includes expenses associated with existing right-of-way agreements and balances, including amortization, contractual or periodic payments, and certain forecast renewal activity. PNM does not presently forecast numerous substantial right-of-way renewals during the linkage period or Test Period. The forecast includes limited renewal activity and the ongoing expense of maintaining the rights necessary to operate PNM's existing transmission and distribution facilities.

Q. Why are the forecasted rights-of-way expenses reasonable and necessary?

A. PNM's transmission and distribution facilities cross public, private, Tribal, and Pueblo lands. The associated rights-of-way allow PNM to access and maintain facilities that are necessary to provide safe and reliable service. Failure to maintain the applicable rights could restrict PNM's access to existing facilities, impair maintenance and restoration activities, or require costly facility relocation.

PNM witness Gutierrez explains the specifically forecast amounts, amortization, rate-base treatment, jurisdictional allocation, and inclusion of ROW expense in PNM's Test Period revenue requirement.

Q. Are the forecast Test Period right-of-way expenses reasonable?

A. Yes. These agreements support existing transmission and distribution lines and facilities necessary to serve customers. PNM forecasts the associated expenses using existing contractual terms, actual balances, applicable amortization periods, recent settlement information, and PNM's experience negotiating and administering rights-of-way across public, private, Tribal, and Pueblo lands. These factors provide a reasonable basis for the expenses included in the Test Period forecast.

Q. Are the right-of-way and associated expenses necessary to provide existing T&D service to PNM's customers?

A. Yes. The facilities located in these rights-of-way are vital components of PNM's T&D system and are imperative to providing reliable service to PNM customers throughout New Mexico. The expenses associated with the renewal of these rights-of-way are necessary for PNM to maintain the facilities on these lands and prevent PNM from incurring costly relocations of these facilities. PNM records expenses associated with right-of-way renewals at the estimated renewal rate, subject to true-up upon completion of the negotiations for the right-of-way.

Q. Why is it appropriate to include the Test Period right-of-way renewal payments in the costs of service for recovery in this case?

A. PNM endeavors to keep right-of-way expenses reasonable by engaging in good faith negotiations and is currently negotiating and finalizing the outstanding right-of-way renewal agreements. Right-of-way expenses are a fundamental component of maintaining existing facilities that provide reliable service to customers and these right-of-way payments are projected to be paid during the Capital Investment Period.

Q. Does PNM have long-term liabilities related to rights-of-way on PNM's system?

A. Yes. The liability reflects other parties' negotiated payments for when PNM settles future right-of-way negotiations associated with the fiber optic lines. In addition, PNM has executed a right-of-way agreement with TEPCo. Under this agreement,

TEPCo pays PNM for shared use of a right-of-way. TEPCo paid PNM its obligations under the agreement and PNM is amortizing this liability over the term of the agreement. Please see the testimony of PNM witness Gutierrez for cost of service treatment for these long-term liabilities.

IX. CONCLUSION

Q. Can you please summarize your testimony?

A. PNM's T&D systems were largely built decades ago, and a significant portion of the equipment is at or approaching the end of its average service life. At the same time, load growth, economic development, and generator and customer interconnections are increasing demands on the system. The T&D capital investments I support are necessary and reasonable to address these needs and to provide safe, reliable, secure, and resilient service. PNM identifies and prioritizes these projects through a structured planning process, develops project estimates from historical data, vendor quotes, and competitive bids, and evaluates alternatives before selecting projects. PNM's value-based decision-making framework and, where applicable, its Copperleaf benefit-cost analyses provide additional evidence of customer benefits and alignment with PNM's strategic objectives. Projects not evaluated through Copperleaf are supported by applicable regulatory, contractual, duty-to-serve, reliability, safety, interconnection, and operational requirements, together with the project-specific evidence in PNM Exhibits JFO-4 and JFO-5.

The T&D O&M expenses I support, including the increase for planning and load forecasting, protection engineering and compliance, and third-party transmission service, are prudent and reasonable. The right-of-way renewals and related costs I describe are necessary to maintain existing facilities on Tribal, Pueblo, and other lands and to avoid costly relocations.

Q. Does this conclude your direct testimony?

A. Yes.

GCG#536200

PNM Exhibit JFO – 1

Statement of Qualifications

Is contained in the following 1 page.

JESUS G. FLORES-OLIVAS

EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Jesus G. Flores-Olivas

Address:
PNM
MS AZ201
2401 Aztec Rd NE
Albuquerque, NM 87107

Position: Director, Transmission Engineering

Education: Bachelor of Science in Civil Engineering, New Mexico Institute of Mining and Technology, 2014

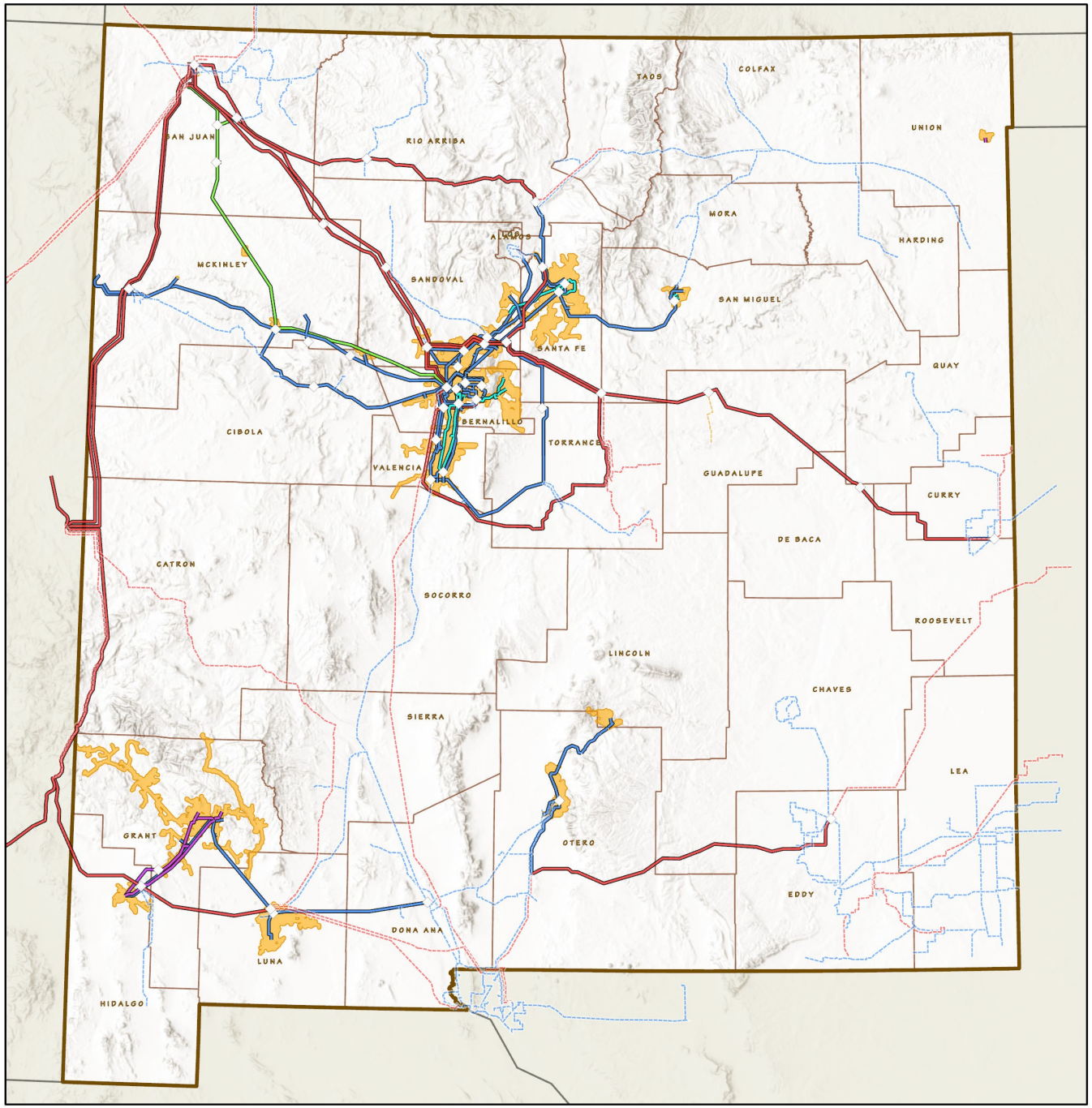
Employment: Employed by PNM since 2014.
Positions held with the Company include:
- Director, Transmission Engineering
- Manager, Transmission Engineering – Station and Line Design
- Supervisor, Transmission Engineering – Station and Line Design
- Substation Design Engineer
- Rotational Engineer

Testifying Experience: None

PNM Exhibit JFO – 2

New Mexico Transmission System Map

Is contained in the following 1 page.



PNM System

Transmission Resources

PNM Transmission
- 345 kV
- 230 kV
- 115 kV
- 69 kV
- 46 kV

Station
- Switching

Other Transmission
- 500 kV
- 345 kV
- 230 kV
- 169 kV
- 115 kV
- 69 kV

PNM Service Area

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PNM

PNM Exhibit JFO – 3

Conductor Footage Report

Is contained in the following 1 page.

PNM Exhibit JFO-3
Page 1 of 1

Division	Conductor Type/Orintation	In Service
Northern Areas Totals	Pri_OH	56,530,394
	Pri_UG	46,244,827
ALBUQUERQUE	**Total Primary**	102,775,221
AMBROSIA LAKE		
CHURCH ROCK	Sec_OH	21,559,490
CLAYTON	Sec_UG	25,021,677
EAST MOUNTAIN	**Total Secondary**	46,581,167
FARMINGTON		
LAS VEGAS	Sec_STL_OH	4,285,816
MARQUEZ	Sec_STL_UG	3,895,815
SANDOVAL	**Total Secondary**	8,181,631
SANTA FE		
SEVEN LAKES	Serv_OH	0
VALENCIA	Serv_UG	0
	Total Secondary	0
Southern Areas Totals	Pri_OH	30,275,931
	Pri_UG	1,929,868
ALAMOGORDO	**Total Primary**	32,205,799
DEMING		
LORDSBURG	Sec_OH	4,961,606
RUIDOSO	Sec_UG	515,689
SILVER CITY	**Total Secondary**	5,477,295
	Sec_STL_OH	2,466,835
	Sec_STL_UG	189,789
	Total Secondary	2,656,624
	Serv_OH	3,364,894
	Serv_UG	1,041,296
	Total Secondary Service	4,406,190

PNM Exhibit JFO – 4

Transmission Capital Projects

Is contained in the following 592 pages.

PNM EXHIBIT JFO-4 Transmission Capital Projects

Project costs & closings data based on PowerPlan forecasted dollars.
Project information based on SharePoint supplemental data.
In Excel, click/tap a project number below to view detailed information for that project.
In Excel, hold CTRL button and click/tap left or right arrow to left of the sheet tabs to go to first or last sheet.
Projects forecasted to have less than $25,000 in absolute value in clearings during July 2026-September 2028 are listed at the bottom of the table of contents, but excluded from documentation.

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Project #	Project Name	Net BegBal-Jul-26	Costs 7/26-9/28	Clearings 7/26-9/28
22007722	Alamogordo Substation Co2	-	31,931,651	(31,931,651)
64807222	WW Reactor Breaker Replacement	529,674	2,872,392	(3,402,067)
64807225	Failed Sta Equip Replcmt Progm 2025	750,790	336,819	(1,087,609)
64807226	Rodeo Substation Rebuild CO2	-	5,156,678	(5,156,678)
64807325	Luna GT 2 GSU Transformer CO2	51,076	-	(51,076)
64807425	Transmission Pole Replcmt Prog 2025	609,401	2,825	(612,226)
64807527	Claremont Building Demolition	-	1,919,319	(1,919,319)
64807625	FERC-881 AAR	74,323	899,039	(973,362)
64807626	YTH Failed Breaker Replacement	30,458	4,343,086	(4,373,544)
64807642	Guadalupe SVC Backup Generator	1,014,408	665,781	(1,680,189)
64808026	Guadalupe Reactor Replacement	-	3,056,688	(3,056,688)
64808126	Ojo Reactor Replacement	-	3,208,882	(3,208,882)
64808522	Tramway Substation	-	2,290,375	(2,290,375)
64809026	Progress 2 Expansion CO2	-	9,143,986	(9,143,986)
64809324	Zia and MD1 Control House Replcmt	1,810,985	12,365,052	(7,620,808)
64809527	Transmission HFA Relay Replace 2027	-	21,635,297	(12,735,665)
65006110	ANPP Transmission blanket	2,806,579	5,968,464	(7,982,687)
65006210	SW NM Transmission Blanket	4,111,530	6,054,229	(9,350,653)
65007047	WM 115kV Trans	412,648	135,301	(547,949)
65007050	RTU Program	255,581	3,143,103	(256,795)
65007123	AW 115kV Structure Replace Phase 1	-	6,648,208	(6,648,208)
65007124	Prager to Richmond Line Upgrade	-	8,187,159	(8,187,159)
65007150	Star Light Interconection Expansion	3,198,203	(929,835)	(2,268,369)
65007219	New Sandia 115 kV Control House	2,296,085	53,816	(2,349,901)
65007326	Sunbelt San Juan 345kV Interconnect	177,678	4,316,090	(4,493,769)
65007626	TPL1 Breaker Replacements	-	15,630,536	(15,322,222)
65007627	TPL1 P5 Relay Upgrades	317,761	641,132	(958,892)
65007644	Transm Comm Improvement 2026-2030	70,112	2,251,435	(1,555,376)
65008018	Transmission Communication Improvem	42,406	216	(42,622)
65008021	Transm Comm Improvement 2021-2025	239,920	386,879	(626,799)
65008325	LANL 115kV Interconnection	14,249	7,220,983	(7,235,233)
65008994	San Juan Solar	61,414	16,561	(77,975)
65009030	EP Line Termination	-	4,405,022	(4,405,022)
65009050	Zia Substation Rebuild CO2	182,315	16,350,358	(12,245,632)
65009126	Central 115-12kV Substation Rebuild	-	9,745,685	(9,745,685)
65009319	Palomas Station-Transmission	4,111,516	5,905,116	(4,132,465)
65009424	Valencia Substation Rebuild - Trans	8,775,512	3,181,405	(11,956,917)
65009440	Sun Lasso Interconnection	222,419	21,242,957	(21,465,375)
65009540	Bernalillo Interconnection	34,627	5,808,574	(5,843,201)
65009725	Broken equipment replacement fund	-	1,830,195	(982,321)
65009740	Westpointe Substation-TRN	1,699,944	27,169,623	(28,869,567)
65009925	Transmission Line Pole Replcmt 2025	-	5,166,878	(2,985,363)
65009926	Los Lunas Capacity Expansion Phse 5	11,075,043	102,148,148	(113,223,190)
65009950	Los Lunas Capacity Expansion Phase4	52,993	270	(53,263)
67607026	San Juan Control House Improvements	-	1,020,535	(1,020,535)

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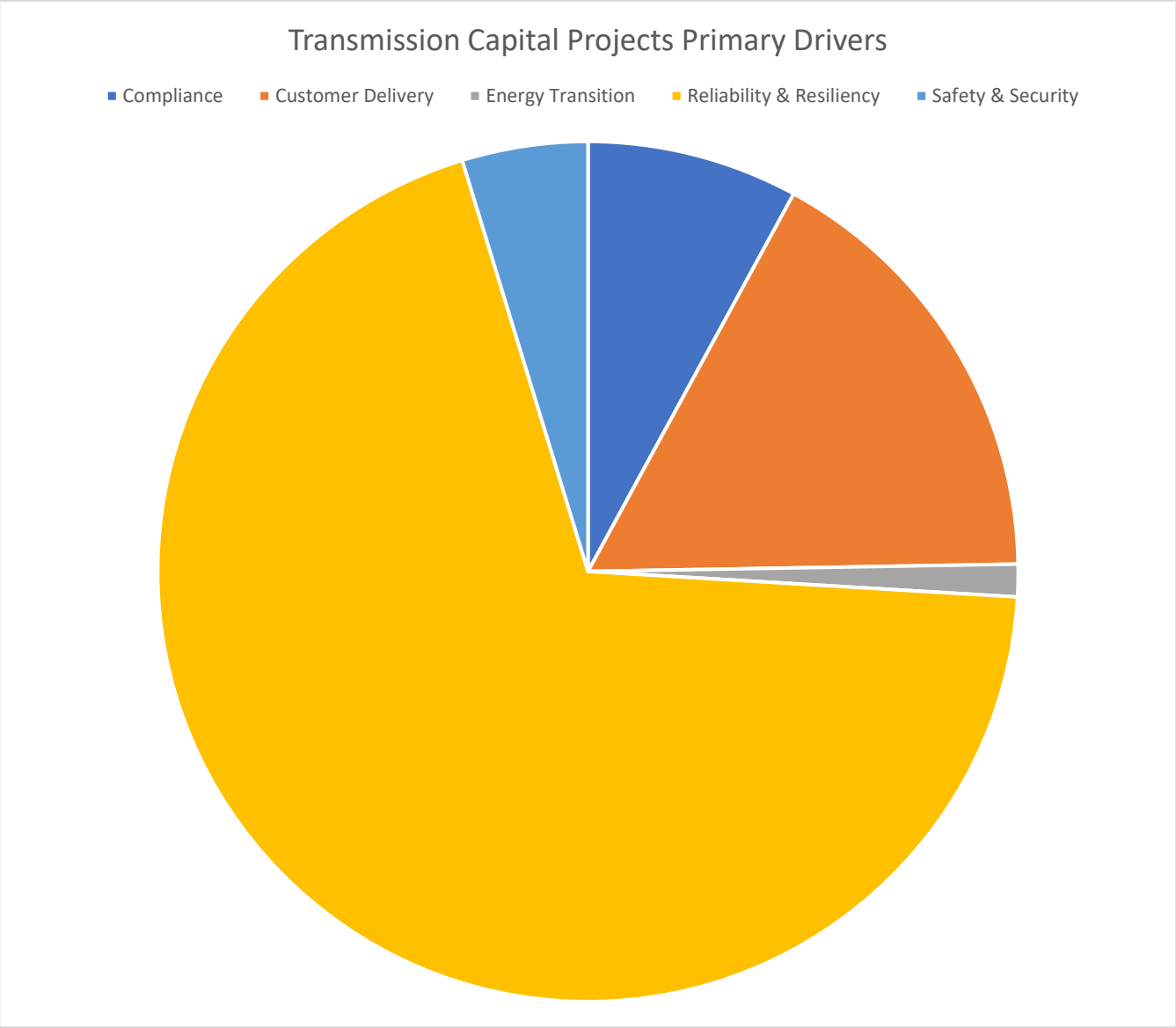
Project #	Project Name	Net BegBal-Jul-26	Costs 7/26-9/28	Clearings 7/26-9/28
67607625	San Juan Stn Switchgear Replacement	51,250	-	(51,250)
67607626	San Juan 345kV Live Tank Breakers	-	1,354,817	(1,354,817)
67607640	SJ Lightning and Backup Power 26-01	-	423,657	(423,657)
67607641	SJ Switchyard Capital 26-02	-	96,429	(96,429)
Totals		**45,080,901**	**365,401,815**	**(376,003,422)**

Projects forecasted to have less than $25,000 in absolute value in clearings during July 2026-September 2028

Project #	Project Name	Clearings 7/26-9/28
65007224	EPE EP Line Relay Upgrade	241
65007826	Windy Lane Interconnection	76
65007926	Fox Tail Interconnection	(4)
65008026	Four Mile Mesa Interconnection	(577)
65008143	NERC Physical Security 24-28	1,035
65008392	West Mesa Control House Replacement	(17,127)
65008425	Storage for Long Lead Equipment	(14,484)
Total		**(30,841)**



Primary Driver	Project #	Project Name	Clearings 7/26-9/28
Compliance	65007627	TPL1 P5 Relay Upgrades	(958,892)
Compliance	65009740	Westpointe Substation-TRN	(28,869,567)
Customer Delivery	64807226	Rodeo Substation Rebuild CO2	(5,156,678)
Customer Delivery	64808522	Tramway Substation	(2,290,375)
Customer Delivery	64809026	Progress 2 Expansion CO2	(9,143,986)
Customer Delivery	65007150	Star Light Interconection Expansion	(2,268,369)
Customer Delivery	65008325	LANL 115kV Interconnection	(7,235,233)
Customer Delivery	65009126	Central 115-12kV Substation Rebuild	(9,745,685)
Customer Delivery	65009440	Sun Lasso Interconnection	(21,465,375)
Customer Delivery	65009540	Bernalillo Interconnection	(5,843,201)
Energy Transition	65007326	Sunbelt San Juan 345kV Interconnect	(4,493,769)
Energy Transition	65008994	San Juan Solar	(77,975)
Reliability & Resiliency	22007722	Alamogordo Substation Co2	(31,931,651)
Reliability & Resiliency	64807222	WW Reactor Breaker Replacement	(3,402,067)
Reliability & Resiliency	64807225	Failed Sta Equip Replcmt Progm 2025	(1,087,609)
Reliability & Resiliency	64807325	Luna GT 2 GSU Transformer CO2	(51,076)
Reliability & Resiliency	64807527	Claremont Building Demolition	(1,919,319)

Primary Driver	Project #	Project Name	Clearings 7/26-9/28
Reliability & Resiliency	**64807625**	**FERC-881 AAR**	(973,362)
Reliability & Resiliency	**64807626**	**YTH Failed Breaker Replacement**	(4,373,544)
Reliability & Resiliency	**64807642**	**Guadalupe SVC Backup Generator**	(1,680,189)
Reliability & Resiliency	**64808026**	**Guadalupe Reactor Replacement**	(3,056,688)
Reliability & Resiliency	**64808126**	**Ojo Reactor Replacement**	(3,208,882)
Reliability & Resiliency	**64809324**	**Zia and MD1 Control House Replcmt**	(7,620,808)
Reliability & Resiliency	**65006110**	**ANPP Transmission blanket**	(7,982,687)
Reliability & Resiliency	**65006210**	**SW NM Transmission Blanket**	(9,350,653)
Reliability & Resiliency	**65007047**	**WM 115kV Trans**	(547,949)
Reliability & Resiliency	**65007050**	**RTU Program**	(256,795)
Reliability & Resiliency	**65007123**	**AW 115kV Structure Replace Phase 1**	(6,648,208)
Reliability & Resiliency	**65007124**	**Prager to Richmond Line Upgrade**	(8,187,159)
Reliability & Resiliency	**65007219**	**New Sandia 115 kV Control House**	(2,349,901)
Reliability & Resiliency	**65007626**	**TPL1 Breaker Replacements**	(15,322,222)
Reliability & Resiliency	**65007644**	**Transm Comm Improvement 2026-2030**	(1,555,376)
Reliability & Resiliency	**65008018**	**Transmission Communication Improvem**	(42,622)
Reliability & Resiliency	**65008021**	**Transm Comm Improvement 2021-2025**	(626,799)
Reliability & Resiliency	**65009030**	**EP Line Termination**	(4,405,022)
Reliability & Resiliency	**65009050**	**Zia Substation Rebuild CO2**	(12,245,632)
Reliability & Resiliency	**65009319**	**Palomas Station-Transmission**	(4,132,465)
Reliability & Resiliency	**65009424**	**Valencia Substation Rebuild - Trans**	(11,956,917)
Reliability & Resiliency	**65009725**	**Broken equipment replacement fund**	(982,321)
Reliability & Resiliency	**65009926**	**Los Lunas Capacity Expansion Phse 5**	(113,223,190)
Reliability & Resiliency	**65009950**	**Los Lunas Capacity Expansion Phase4**	(53,263)
Reliability & Resiliency	**67607625**	**San Juan Stn Switchgear Replacement**	(51,250)
Reliability & Resiliency	**67607626**	**San Juan 345kV Live Tank Breakers**	(1,354,817)
Reliability & Resiliency	**67607641**	**SJ Switchyard Capital 26-02**	(96,429)
Safety & Security	**64807425**	**Transmission Pole Replcmt Prog 2025**	(612,226)
Safety & Security	**64809527**	**Transmission HFA Relay Replace 2027**	(12,735,665)
Safety & Security	**65009925**	**Transmission Line Pole Replcmt 2025**	(2,985,363)
Safety & Security	**67607026**	**San Juan Control House Improvements**	(1,020,535)
Safety & Security	**67607640**	**SJ Lightning and Backup Power 26-01**	(423,657)
Grand Total			**(376,003,422)**

Driver	Percentage	Amount
Compliance	7.93%	(29,828,460)
Customer Delivery	16.79%	(63,148,902)
Energy Transition	1.22%	(4,571,744)
Reliability & Resiliency	69.33%	(260,676,871)
Safety & Security	4.73%	(17,777,446)
	100.00%	(376,003,422)

Project No: **22007722** **Alamogordo Substation Co2**

Company: 002 Transmission Services
Location: 220 TNMP NM Transm General

Project Information

County % Otero 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2029

Description

Purchase of Alamogordo substation site in advance of local development.

Project No: **22007722** **Alamogordo Substation Co2**

Project Need Justification	Planning staff have identified the need for a future station to support anticipated load growth and maintain system reliability. Lands Services and the project team have already identified a site, and timely acquisition is critical to assure a site is secured for a future station in this geographical location. Acquiring the property in advance preserves critical siting options and helps avoid future challenges associated with land availability, increased real estate costs, zoning restrictions, and development encroachment. Early acquisition also provides flexibility for engineering, environmental, and permitting activities, reducing future project risk and supporting timely infrastructure deployment when capacity is needed.

Project No: **22007722** **Alamogordo Substation Co2**

Project Alternatives	No feasible site alternatives exist outside of this vicinity that can effectively serve the identified load area and support future system expansion. Alternative locations would require additional infrastructure, increase costs, extend implementation timelines, and may not provide the operational benefits necessary to meet forecasted demand. Therefore, acquisition of the selected site represents the only practical and prudent solution to support future reliability, resiliency, and customer growth needs.

Project No: **22007722** **Alamogordo Substation Co2**

Project Estimate Approach	The estimate was derived by allocating costs between Distribution and Transmission based on the proportion of the station footprint attributable to each function, consistent with plant accounting requirements.

Project No: **22007722** **Alamogordo Substation Co2**

Customer Benefit	The acquisition of property in the Alamogordo area is a strategic investment that supports long-term electric system reliability, customer growth, and regional economic development. Securing a suitable site now ensures that PNM has the ability to construct a future substation in a location that aligns with projected load growth, evolving system needs, and community development plans. As population growth and commercial expansion continue in the region, additional electrical infrastructure will be required to maintain reliable service and provide capacity for new customer connections.

Project No: **22007722** **Alamogordo Substation Co2**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **22007722** **Alamogordo Substation Co2**

General Services

Reliability & Resiliency

This acquisition supports reliable electric service by enabling future system capacity improvements, reducing the risk of overloads on existing facilities, and improving operational flexibility. A new substation location will enhance grid resilience by providing additional sources of supply and distribution pathways, helping minimize the impact of equipment failures, extreme weather events, and other service disruptions. Additionally, preserving the site today helps control future project costs and supports continued residential, commercial, and economic growth in the Alamogordo area.

Safety & Security

Technology Advancements

Project No: 22007722 Alamogordo Substation Co2

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **22007722** **Alamogordo Substation Co2**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	500,000	43,333	43,333	43,333	43,333	43,333
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	750,000	-	-	-	-
370: Outside Services	-	-	333,333	333,333	333,333	333,333	333,333
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	41,300	3,579	3,579	3,579	3,579	3,579
914: Pension and Benefits	-	94,950	8,229	8,229	8,229	8,229	8,229
915: Injuries and Damages	-	94,800	8,216	8,216	8,216	8,216	8,216
921: Stores Load	-	-	24,510	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	109,658	172,004	59,504	59,504	59,504	59,504
926: A&G Loads	-	18,750	42,250	14,125	14,125	14,125	14,125
928: AFUDC Debt	-	937	3,390	5,431	6,485	7,545	8,610
929: AFUDC Equity	-	1,268	4,586	7,347	8,773	10,206	11,647
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	861,662	1,393,429	483,097	485,577	488,070	490,576

Project No: 22007722 Alamogordo Substation Co2

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	43,333	43,333	43,333	846,664
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	4,150,000	1,450,000	6,350,000
370: Outside Services	333,333	918,209	868,060	3,786,267
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	3,579	3,579	3,579	69,934
914: Pension and Benefits	8,229	8,229	8,229	160,782
915: Injuries and Damages	8,216	8,216	8,216	160,528
921: Stores Load	-	135,622	47,386	207,518
922: Minor Material Load	-	-	-	-
925: E&S Loads	59,504	769,735	357,213	1,706,126
926: A&G Loads	14,125	191,683	88,552	411,860
928: AFUDC Debt	9,680	17,035	27,050	86,162
929: AFUDC Equity	13,096	23,046	36,594	116,563
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	493,095	6,268,687	2,938,212	13,902,404

Project No: 22007722 Alamogordo Substation Co2

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	846,664	43,333	43,333	43,333	976,663	43,333	43,333	43,333
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	6,350,000	-	-	2,684,000	9,034,000	450,000	600,000	630,000
370: Outside Services	3,786,267	918,209	501,493	518,209	5,724,178	694,925	962,388	962,388
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	69,934	3,579	3,579	3,579	80,672	3,579	3,579	3,579
914: Pension and Benefits	160,782	8,229	8,229	8,229	185,468	8,229	8,229	8,229
915: Injuries and Damages	160,528	8,216	8,216	8,216	185,175	8,216	8,216	8,216
921: Stores Load	207,518	-	-	87,713	295,231	14,706	19,608	20,588
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,706,126	147,235	84,728	489,835	2,427,924	181,242	243,862	248,362
926: A&G Loads	411,860	36,058	20,431	121,708	590,057	41,708	56,361	57,414
928: AFUDC Debt	86,162	31,596	33,762	38,992	190,512	44,211	48,085	52,554
929: AFUDC Equity	116,563	42,744	45,674	52,750	257,731	69,752	75,864	82,915
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	13,902,404	1,239,199	749,445	4,056,564	19,947,611	1,559,901	2,069,525	2,117,578

Project No: **22007722** **Alamogordo Substation Co2**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	43,333	43,333	43,333	43,333	-	-	1,279,994
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	202,750	527,750	352,750	202,750	-	-	12,000,000
370: Outside Services	931,343	962,388	931,343	31,045	-	-	11,199,998
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	3,579	3,579	3,579	3,579	-	-	105,728
914: Pension and Benefits	8,229	8,229	8,229	8,229	-	-	243,071
915: Injuries and Damages	8,216	8,216	8,216	8,216	-	-	242,687
921: Stores Load	6,626	17,247	11,528	6,626	-	-	392,160
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	179,618	233,024	202,118	44,573	-	-	3,760,722
926: A&G Loads	41,328	53,825	46,593	9,727	-	-	897,011
928: AFUDC Debt	56,491	60,318	64,361	66,825	67,583	67,963	718,903
929: AFUDC Equity	89,127	95,164	101,543	105,430	106,626	107,226	1,091,378
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	(31,329,224)	(31,329,224)
825: Closing Cost of Removal	-	-	-	-	-	(602,427)	(602,427)
Project Net	1,570,639	2,013,073	1,773,593	530,332	174,209	(31,756,462)	0

Project No: **64807222** **WW Reactor Breaker Replacement**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information County % Total System 100%

Estimated Start Date 7/11/2022

Estimated Completion Date 3/31/2027

Description

This purpose of this project is to replace the failed WW 345kV shunt reactor switcher at San Juan 345kV station. Around July 6, 2023, the existing San Juan 345kV shunt reactor switcher failed catastrophically, damaging the interrupter. This project will replace said switcher with a new, standard 345kV breaker. It will also replace failing capacitive voltage transformers (CVT) on the same line terminal and the WW reactor electromechanical protection package with new microprocessor relays.

Project No: 64807222 WW Reactor Breaker Replacement

Project Need Justification

The failed switcher provided protection for the WW 345 kV line shunt reactor and allowed the reactor to be switched in and out of service as system conditions required. The shunt reactor helps regulate voltage on the WW 345 kV line by preventing voltage from exceeding acceptable limits during periods of low load. Without the new breaker, the reactor cannot be connected to the system, limiting Power Operations' ability to control the voltage on this critical transmission path. This condition increases the risk of voltage exceeding equipment operating limits, potentially placing additional stress on the system and reducing overall system reliability.

Project No: **64807222** **WW Reactor Breaker Replacement**

Project Alternatives

Two alternatives were identified:

Alternative 1: Do nothing. The “do nothing” option is not acceptable as the reactor switcher is necessary to connect the WW shunt reactor used to control voltage on the WW 345kV line.
Alternative 2: Repair the failed WW 345kV shunt reactor switcher. This failure is similar in nature to a previous failure in 2022 of a different interrupter on the same device. At the time it was chosen to repair the switcher by replacing the interrupter (with the one that also failed and is the impetus for this project). As this is a repeated issue, it is recommended to replace the switcher with a new circuit breaker to bring up to PNM standard configuration.

Project No: 64807222 WW Reactor Breaker Replacement

Project Estimate Approach	This estimate reflects the full project lifecycle required to replace the existing reactor switcher, including engineering and design, material procurement, and construction execution. Costs were based on a third-party contractor estimate and benchmarked against a recently completed PNM project of similar scope and complexity. Major assumptions included standard labor productivity, current material pricing, site logistics, planned outage availability, and reuse of an existing MOD, surge arresters, selected foundations, and steel structures where feasible. A combination of internal and external resources will be utilized for project execution. No separate contingency was included in the estimate.

Project No: **64807222** **WW Reactor Breaker Replacement**

Customer Benefit	Customer benefit is increased reliability for the whole system. The WW line is one of the main paths for power between the Albuquerque metro system and the Four Corners area transmission hub. Without control on the voltage on the line, the capacity and stability of the system could be affected.

Project No: **64807222** **WW Reactor Breaker Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64807222** **WW Reactor Breaker Replacement**

General Services

Reliability & Resiliency

Without the new breaker, the existing WW reactor cannot be connected to the system, reducing the ability of power operations to control the voltage on a critical path for our system and potentially exceeding equipment limits, stressing the system. This affects reliability for the whole system. The WW line is one of the main paths for power between the Albuquerque metro system and the four corners area transmission hub. Without control on the voltage on the line, the capacity and stability of the system could be affected.

Safety & Security

Technology Advancements

Project No: 64807222 WW Reactor Breaker Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	58,500	5,572	5,572	5,572	9,287	9,287	16,716	110,505
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	60,363	-	538,626	-	598,990
370: Outside Services	408,642	14,250	14,250	4,643	4,643	190,377	200,705	837,511
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	193	-	-	-	-	-	-	193
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	4,531	425	425	425	708	708	1,274	8,493
914: Pension and Benefits	10,479	1,037	1,037	1,037	1,728	1,728	3,111	20,157
915: Injuries and Damages	11,714	1,103	1,103	1,103	1,839	1,839	3,310	22,011
921: Stores Load	1,107	-	-	2,588	-	23,096	-	26,792
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	16,451	1,287	1,287	4,206	1,047	42,697	12,944	79,920
926: A&G Loads	15,244	1,031	1,031	3,670	724	38,391	11,306	71,397
928: AFUDC Debt	1,542	1,206	1,272	1,410	1,542	2,597	3,935	13,505
929: AFUDC Equity	1,272	1,286	1,356	1,502	1,643	2,768	4,194	14,022
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	529,674	27,197	27,333	86,520	23,161	852,114	257,495	1,803,494

Project No: **64807222** **WW Reactor Breaker Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	110,505	18,000	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	598,990	-	-	-	-	-	-
370: Outside Services	837,511	564,900	564,900	155,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	193	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	8,493	1,487	-	-	-	-	-
914: Pension and Benefits	20,157	3,418	-	-	-	-	-
915: Injuries and Damages	22,011	3,413	-	-	-	-	-
921: Stores Load	26,792	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	79,920	88,683	84,735	23,250	-	-	-
926: A&G Loads	71,397	21,859	21,184	5,813	-	-	-
928: AFUDC Debt	13,505	4,605	6,126	7,090	-	-	-
929: AFUDC Equity	14,022	6,230	8,288	9,592	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(3,293,265)	-	-	-
825: Closing Cost of Removal	-	-	-	(108,801)	-	-	-
Project Net	1,803,494	712,595	685,233	(3,201,322)	-	-	-

Project No: **64807222** **WW Reactor Breaker Replacement**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	128,505
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	598,990
370: Outside Services	-	-	-	2,122,311
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	193
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	9,980
914: Pension and Benefits	-	-	-	23,575
915: Injuries and Damages	-	-	-	25,424
921: Stores Load	-	-	-	26,792
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	276,587
926: A&G Loads	-	-	-	120,252
928: AFUDC Debt	-	-	-	31,326
929: AFUDC Equity	-	-	-	38,132
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(3,293,265)
825: Closing Cost of Removal	-	-	-	(108,801)
Project Net	-	-	-	(0)

Project No: 64807222 WW Reactor Breaker Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	128,505	-	-	-	128,505	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	598,990	-	-	-	598,990	-	-	-
370: Outside Services	2,122,311	-	-	-	2,122,311	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	193	-	-	-	193	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	9,980	-	-	-	9,980	-	-	-
914: Pension and Benefits	23,575	-	-	-	23,575	-	-	-
915: Injuries and Damages	25,424	-	-	-	25,424	-	-	-
921: Stores Load	26,792	-	-	-	26,792	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	276,587	-	-	-	276,587	-	-	-
926: A&G Loads	120,252	-	-	-	120,252	-	-	-
928: AFUDC Debt	31,326	-	-	-	31,326	-	-	-
929: AFUDC Equity	38,132	-	-	-	38,132	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(3,293,265)	-	-	-	(3,293,265)	-	-	-
825: Closing Cost of Removal	(108,801)	-	-	-	(108,801)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **64807222** **WW Reactor Breaker Replacement**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	128,505
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	598,990
370: Outside Services	-	-	-	-	-	-	2,122,311
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	193
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	9,980
914: Pension and Benefits	-	-	-	-	-	-	23,575
915: Injuries and Damages	-	-	-	-	-	-	25,424
921: Stores Load	-	-	-	-	-	-	26,792
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	276,587
926: A&G Loads	-	-	-	-	-	-	120,252
928: AFUDC Debt	-	-	-	-	-	-	31,326
929: AFUDC Equity	-	-	-	-	-	-	38,132
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(3,293,265)
825: Closing Cost of Removal	-	-	-	-	-	-	(108,801)
Project Net	-	-	-	-	-	-	(0)

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information County % Total System 100%

Estimated Start Date 4/1/2025

Estimated Completion Date 12/31/2027

Description

This project was created to properly maintain PNM's transmission system by replacing failed transmission equipment due to age, weather, and system conditions. The project spend plan will maintain an 85/15 split between the first and second year. This is to maintain project closeout schedules called out in the Project Management Office (PMO) process. Material orders will be journal entries from the existing long lead blanket or from the PNM warehouse.

Project No: 64807225 Failed Sta Equip Replcmt Progm 2025

Project Need Justification

Transmission Engineering has observed a trend of equipment failures across PNM's transmission system. Timely replacement of failed equipment is necessary to minimize impacts on system safety and reliability. The purpose of this project is to provide for the prompt replacement of failed breakers, disconnect switches, instrument transformers, station service equipment, and surge arresters across PNM's transmission system.

Failed equipment can create safety risks for personnel working in and around transmission facilities and can compromise the reliable operation of the system. Breakers clear faults and are critical for the safe operation of transmission infrastructure, while instrument transformers allow relay protection to operate correctly. Properly functioning disconnect switches are also essential for crews to have open clearance points.

In addition to these safety concerns, equipment failures can reduce system reliability and operational flexibility. In some instances, failed equipment can limit redundant transmission sources or tie capabilities, reducing PNM's ability to reliably serve customers and interconnected entities.

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

Project Alternatives

Temporary repairs and corrective maintenance were considered as an alternative to replacing failed equipment. While temporary measures may restore limited functionality, they do not address the underlying condition of the asset or provide a long-term solution. Many failed transmission components have reached the end of their useful life and cannot reliably perform their intended function. Reliance on temporary repairs increases the likelihood of repeat failures, additional maintenance costs, and unplanned outages while continuing to pose safety risks to personnel working within substations and transmission facilities.

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

Project Estimate Approach	The estimate for this project was developed by evaluating the costs of similar projects, inclusive of equipment and labor.

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

Customer Benefit

This project provides direct customer benefits by enabling the timely replacement of failed transmission equipment that is critical to maintaining reliable electric service. Replacing failed breakers, disconnect switches, instrument transformers, station service equipment, and surge arresters reduces the risk of unplanned outages, preserves system protection capabilities, and maintains operational flexibility across the transmission network. These investments help sustain redundant power pathways, support faster restoration during contingency events, and strengthen the overall resiliency of the electric system. By proactively addressing equipment failures, the project helps ensure customers continue to receive safe, reliable, and dependable electric service.

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

General Services

Reliability & Resiliency

The project enhances reliability and resiliency by providing for the rapid replacement of failed transmission equipment that is essential to system protection and operation. Timely replacement reduces outage risk, preserves system redundancy, and helps maintain reliable electric service for customers during normal and contingency operating conditions.

Safety & Security

Technology Advancements

Project No: 64807225 Failed Sta Equip Replcmt Progm 2025

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	152,563	1,427	(7,814)	-	-	-	-	146,175
120: Overtime-General	73,601	-	-	-	-	-	-	73,601
350: Material Issues-Major	950,698	(340,079)	-	-	-	-	-	610,619
370: Outside Services	690,307	(416,592)	63,107	1,372,023	(362,969)	-	-	1,345,876
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	64,852	-	-	-	-	-	-	64,852
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	17,609	109	(595)	-	-	-	-	17,122
914: Pension and Benefits	36,722	266	(1,454)	-	-	-	-	35,533
915: Injuries and Damages	45,575	282	(1,547)	-	-	-	-	44,310
921: Stores Load	4,982	(14,583)	-	-	-	-	-	(9,601)
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	118,222	(43,389)	2,972	78,891	(20,871)	-	-	135,826
926: A&G Loads	99,267	(39,273)	2,875	71,345	(18,874)	-	-	115,340
928: AFUDC Debt	41,819	821	(135)	1,774	3,136	-	-	47,415
929: AFUDC Equity	30,608	875	(143)	1,891	3,342	-	-	36,573
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,484,344)	-	-	-	(1,081,104)	-	-	(2,565,449)
825: Closing Cost of Removal	(91,690)	-	-	-	(6,505)	-	-	(98,195)
Project Net	750,790	(850,136)	57,265	1,525,925	(1,483,844)	-	-	0

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	146,175	-	-	-	-	-	-
120: Overtime-General	73,601	-	-	-	-	-	-
350: Material Issues-Major	610,619	-	-	-	-	-	-
370: Outside Services	1,345,876	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	64,852	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	17,122	-	-	-	-	-	-
914: Pension and Benefits	35,533	-	-	-	-	-	-
915: Injuries and Damages	44,310	-	-	-	-	-	-
921: Stores Load	(9,601)	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	135,826	-	-	-	-	-	-
926: A&G Loads	115,340	-	-	-	-	-	-
928: AFUDC Debt	47,415	-	-	-	-	-	-
929: AFUDC Equity	36,573	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(2,565,449)	-	-	-	-	-	-
825: Closing Cost of Removal	(98,195)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	146,175
120: Overtime-General	-	-	-	73,601
350: Material Issues-Major	-	-	-	610,619
370: Outside Services	-	-	-	1,345,876
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	64,852
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	17,122
914: Pension and Benefits	-	-	-	35,533
915: Injuries and Damages	-	-	-	44,310
921: Stores Load	-	-	-	(9,601)
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	135,826
926: A&G Loads	-	-	-	115,340
928: AFUDC Debt	-	-	-	47,415
929: AFUDC Equity	-	-	-	36,573
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(2,565,449)
825: Closing Cost of Removal	-	-	-	(98,195)
Project Net	-	-	-	0

Project No: 64807225 Failed Sta Equip Replcmt Progm 2025

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	146,175	-	-	-	146,175	-	-	-
120: Overtime-General	73,601	-	-	-	73,601	-	-	-
350: Material Issues-Major	610,619	-	-	-	610,619	-	-	-
370: Outside Services	1,345,876	-	-	-	1,345,876	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	64,852	-	-	-	64,852	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	17,122	-	-	-	17,122	-	-	-
914: Pension and Benefits	35,533	-	-	-	35,533	-	-	-
915: Injuries and Damages	44,310	-	-	-	44,310	-	-	-
921: Stores Load	(9,601)	-	-	-	(9,601)	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	135,826	-	-	-	135,826	-	-	-
926: A&G Loads	115,340	-	-	-	115,340	-	-	-
928: AFUDC Debt	47,415	-	-	-	47,415	-	-	-
929: AFUDC Equity	36,573	-	-	-	36,573	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(2,565,449)	-	-	-	(2,565,449)	-	-	-
825: Closing Cost of Removal	(98,195)	-	-	-	(98,195)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **64807225** **Failed Sta Equip Replcmt Progm 2025**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	146,175
120: Overtime-General	-	-	-	-	-	-	73,601
350: Material Issues-Major	-	-	-	-	-	-	610,619
370: Outside Services	-	-	-	-	-	-	1,345,876
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	64,852
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	17,122
914: Pension and Benefits	-	-	-	-	-	-	35,533
915: Injuries and Damages	-	-	-	-	-	-	44,310
921: Stores Load	-	-	-	-	-	-	(9,601)
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	135,826
926: A&G Loads	-	-	-	-	-	-	115,340
928: AFUDC Debt	-	-	-	-	-	-	47,415
929: AFUDC Equity	-	-	-	-	-	-	36,573
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,565,449)
825: Closing Cost of Removal	-	-	-	-	-	-	(98,195)
Project Net	-	-	-	-	-	-	0

Project No: **64807226** **Rodeo Substation Rebuild CO2**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information

County %	Santa Fe	100%	

Estimated Start Date 9/1/2025

Estimated Completion Date 1/31/2027

Description

On July 10, 2024, there was a fault within the Rodeo substation switchgear that started a fire damaging the switchgear beyond repair. Dissolved Gas Analysis (DGA) and Sweep Frequency Response Analyzer (SFRA) testing confirmed the Rodeo 115/12.47kV transformer was also damaged beyond repair due to the switchgear fault. The purpose of this project is to rebuild the Rodeo Substation.

This project includes moving the substation from Zia ring bus 1 and reconstructing the Rodeo Substation on Zia ring bus 2. This will include the addition of a breaker and bus to feed the transformer, installation of the new 115/12.47kV transformer, and new 15kV switchgear.

Project No: **64807226** **Rodeo Substation Rebuild CO2**

Project Need Justification

The Rodeo substation has been offline since July 10, 2024, when a fault within the switchgear started a fire that damaged the switchgear beyond repair. DGA and SFRA testing confirmed that the Rodeo 115/12.47kV transformer was also damaged beyond repair by the same fault. The station cannot return to service until the damaged equipment is replaced.

Project No: **64807226 Rodeo Substation Rebuild CO2**

Project Alternatives

There are three options that were analyzed for the replacement of damaged Rodeo substation:

Option one - Rebuilding the unit substation in the existing bay location of the Zia switchyard. However, this is not the best option due to three unit substations, Rodeo, Beckner and State Pen all being fed from the same RS line source. This means that an interruption on the RS line drops all substations and load within the southwest area of Santa Fe, causing a large increase in System Average Interruption Duration Index SAIDI numbers.

Option two - Building a new unit substation in the Zia Ring 2 bus. This option is preferred. Relocating the new substation and the addition of a 115kV breaker allows for sectionalizing which increases reliability and lowers the risk of increased System Average Interruption Duration Index (SAIDI) numbers.

Option three – The "do nothing" alternative is not a viable option because the existing transmission and distribution system lacks sufficient capacity and operational flexibility to reliably serve the forecasted load growth in the area. Existing planning assessments and contingency analyses indicate that the system is already experiencing voltage performance concerns under first-contingency (N-1) conditions. In coordination with Distribution Planning, studies have identified Beckner Substation as currently experiencing voltage issues following the loss of a single major facility, resulting in degraded service margins and reduced system reliability.

Under a second contingency event (N-2), system conditions worsen significantly. If an additional transmission or substation element is lost while the system is already operating in a contingency state, Beckner Substation would be unable to adequately support transferred load from the Zafarano, Miguel Lujan, and South Pacheco 1 service areas. This could result in unacceptable voltage levels, overloaded facilities, increased risk of cascading outages, and the potential need for operator-directed load shedding to maintain system stability.

As customer demand continues to grow, these reliability concerns will become more pronounced, reducing the utility's ability to serve existing customers and accommodate future development. The do-nothing alternative fails to address the identified reliability deficiencies, does not meet planning criteria for contingency performance, and exposes customers to an increased risk of service interruptions and degraded power quality. Consequently, system reinforcement is required to ensure reliable electric service, maintain acceptable voltage performance, and support long-term load growth in the area.

Project No: **64807226** **Rodeo Substation Rebuild CO2**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **64807226 Rodeo Substation Rebuild CO2**

Customer Benefit

This project involves the replacement of critical substation equipment, including switchgear, to restore the station to full operational capability and improve long-term electric system reliability. The investment addresses aging infrastructure and reduces the risk of equipment failures that could result in prolonged outages, emergency repairs, and increased operational costs.

Restoring the substation to service enhances system resiliency by re-establishing operational flexibility, system redundancy, and the ability to safely isolate faults and manage system disturbances. The new equipment will improve protection of critical assets, reduce outage frequency and duration, and support faster service restoration during unplanned events.

The project delivers direct customer benefits through improved reliability, reduced risk of service interruptions, and avoidance of future costs associated with emergency equipment replacement and outage response. By proactively investing in modern, reliable infrastructure, the Company strengthens grid performance and ensures continued safe, dependable electric service for customers.

Project No: 64807226 Rodeo Substation Rebuild CO2

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	Restoring the substation and installing modern switchgear improves operational flexibility, reduces the likelihood and duration of customer outages, and supports more efficient service restoration during unplanned events. The project provides long-term value to customers by improving reliability, protecting critical grid assets, and avoiding higher costs associated with emergency repairs and service interruptions.
Energy Transition	

Project No: **64807226** **Rodeo Substation Rebuild CO2**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 64807226 Rodeo Substation Rebuild CO2

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	929	5,108	5,108	5,108	5,108	2,322	23,681
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	315,437	315,437	315,437	315,437	315,437	1,577,186
370: Outside Services	-	-	940,818	938,098	685,764	248,800	68,794	2,882,273
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	71	389	389	389	389	177	1,804
914: Pension and Benefits	-	173	951	951	951	951	432	4,407
915: Injuries and Damages	-	184	1,011	1,011	1,011	1,011	460	4,689
921: Stores Load	-	-	13,526	13,526	13,526	13,526	13,526	67,630
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	78	72,664	72,507	57,998	32,873	22,288	258,407
926: A&G Loads	-	48	65,591	65,449	52,328	29,606	20,101	233,123
928: AFUDC Debt	-	2	1,714	5,141	8,243	10,437	11,809	37,345
929: AFUDC Equity	-	2	1,827	5,479	8,785	11,123	12,585	39,801
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	1,486	1,419,035	1,423,097	1,149,540	669,260	467,930	5,130,347

Project No: **64807226** **Rodeo Substation Rebuild CO2**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	23,681	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	1,577,186	-	-	-	-	-	-
370: Outside Services	2,882,273	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,804	-	-	-	-	-	-
914: Pension and Benefits	4,407	-	-	-	-	-	-
915: Injuries and Damages	4,689	-	-	-	-	-	-
921: Stores Load	67,630	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	258,407	-	-	-	-	-	-
926: A&G Loads	233,123	-	-	-	-	-	-
928: AFUDC Debt	37,345	11,191	-	-	-	-	-
929: AFUDC Equity	39,801	15,140	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	(5,055,614)	-	-	-	-	-
825: Closing Cost of Removal	-	(101,064)	-	-	-	-	-
Project Net	5,130,347	(5,130,347)	-	-	-	-	-

Project No: 64807226 Rodeo Substation Rebuild CO2

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	23,681
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	1,577,186
370: Outside Services	-	-	-	2,882,273
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,804
914: Pension and Benefits	-	-	-	4,407
915: Injuries and Damages	-	-	-	4,689
921: Stores Load	-	-	-	67,630
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	258,407
926: A&G Loads	-	-	-	233,123
928: AFUDC Debt	-	-	-	48,536
929: AFUDC Equity	-	-	-	54,941
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(5,055,614)
825: Closing Cost of Removal	-	-	-	(101,064)
Project Net	-	-	-	(0)

Project No: 64807226 Rodeo Substation Rebuild CO2

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	23,681	-	-	-	23,681	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,577,186	-	-	-	1,577,186	-	-	-
370: Outside Services	2,882,273	-	-	-	2,882,273	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,804	-	-	-	1,804	-	-	-
914: Pension and Benefits	4,407	-	-	-	4,407	-	-	-
915: Injuries and Damages	4,689	-	-	-	4,689	-	-	-
921: Stores Load	67,630	-	-	-	67,630	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	258,407	-	-	-	258,407	-	-	-
926: A&G Loads	233,123	-	-	-	233,123	-	-	-
928: AFUDC Debt	48,536	-	-	-	48,536	-	-	-
929: AFUDC Equity	54,941	-	-	-	54,941	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(5,055,614)	-	-	-	(5,055,614)	-	-	-
825: Closing Cost of Removal	(101,064)	-	-	-	(101,064)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: 64807226 Rodeo Substation Rebuild CO2

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	23,681
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,577,186
370: Outside Services	-	-	-	-	-	-	2,882,273
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,804
914: Pension and Benefits	-	-	-	-	-	-	4,407
915: Injuries and Damages	-	-	-	-	-	-	4,689
921: Stores Load	-	-	-	-	-	-	67,630
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	258,407
926: A&G Loads	-	-	-	-	-	-	233,123
928: AFUDC Debt	-	-	-	-	-	-	48,536
929: AFUDC Equity	-	-	-	-	-	-	54,941
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,055,614)
825: Closing Cost of Removal	-	-	-	-	-	-	(101,064)
Project Net	-	-	-	-	-	-	(0)

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information County % Total System 100%

Estimated Start Date 5/1/2025

Estimated Completion Date 8/31/2026

Description

On January 25, 2025, Luna GT2 generator step up (GSU) transformer suffered a catastrophic high voltage bushing failure. After extensive inspection and testing, a reliable/warranted repair was determined to not be an option. This project involves replacement of the GSU transformer with a similar unit.

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

Project Need Justification	The GSU needs to be replaced to operate GT2 combustion turbine and export power. Generation output from GT2 is offline until the GSU is replaced. This unit is part of PNM's generation portfolio and critical to meet load and keep the grid balanced

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

Project Alternatives

An alternative considered was repair instead of replacement of the failed transformer. However, lead times and costs for offsite repair of GSU2 were 6 to 12 months beyond the purchase of the new unit. The cost estimates for offsite repair also exceed a new transformer purchase. The "do nothing" alternative is not acceptable as the GSU is fundamental for the generation unit connection into the grid.

Project No: 64807325 Luna GT 2 GSU Transformer CO2

Project Estimate Approach	The project was estimated using the transformer quote and input from contractors for installation. It also takes into account a credit from insurance.

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

Customer Benefit

The prompt return to service of the GT2 gas combustion turbine helps PNM keep the grid in balance and serve customers safely and reliably. the GT2 gas combustion turbine has a capacity of 234MW, all of which was offline after the GSU failure.

Project No: **64807325 Luna GT 2 GSU Transformer CO2**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

General Services

Reliability & Resiliency

The prompt return to service of the GT2 gas combustion turbine helps PNM keep the grid abalance and serve customers safely and reliably.

Safety & Security

Technology Advancements

Project No: 64807325 Luna GT 2 GSU Transformer CO2

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	21,391	-	-	-	-	-	-	21,391
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	13,513	-	-	-	-	-	-	13,513
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,453	-	-	-	-	-	-	1,453
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,648	-	-	-	-	-	-	1,648
914: Pension and Benefits	3,762	-	-	-	-	-	-	3,762
915: Injuries and Damages	4,274	-	-	-	-	-	-	4,274
921: Stores Load	32	-	-	-	-	-	-	32
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	2,405	-	-	-	-	-	-	2,405
926: A&G Loads	1,996	-	-	-	-	-	-	1,996
928: AFUDC Debt	323	-	-	-	-	-	-	323
929: AFUDC Equity	279	-	-	-	-	-	-	279
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	(51,076)	-	-	-	-	-	(51,076)
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	51,076	(51,076)	-	-	-	-	-	0

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	21,391	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	13,513	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	1,453	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,648	-	-	-	-	-	-
914: Pension and Benefits	3,762	-	-	-	-	-	-
915: Injuries and Damages	4,274	-	-	-	-	-	-
921: Stores Load	32	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	2,405	-	-	-	-	-	-
926: A&G Loads	1,996	-	-	-	-	-	-
928: AFUDC Debt	323	-	-	-	-	-	-
929: AFUDC Equity	279	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(51,076)	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	21,391
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	-	-	-	13,513
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	1,453
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,648
914: Pension and Benefits	-	-	-	3,762
915: Injuries and Damages	-	-	-	4,274
921: Stores Load	-	-	-	32
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	2,405
926: A&G Loads	-	-	-	1,996
928: AFUDC Debt	-	-	-	323
929: AFUDC Equity	-	-	-	279
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(51,076)
825: Closing Cost of Removal	-	-	-	-
Project Net	-	-	-	0

Project No: 64807325 Luna GT 2 GSU Transformer CO2

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	21,391	-	-	-	21,391	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	13,513	-	-	-	13,513	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,453	-	-	-	1,453	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,648	-	-	-	1,648	-	-	-
914: Pension and Benefits	3,762	-	-	-	3,762	-	-	-
915: Injuries and Damages	4,274	-	-	-	4,274	-	-	-
921: Stores Load	32	-	-	-	32	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	2,405	-	-	-	2,405	-	-	-
926: A&G Loads	1,996	-	-	-	1,996	-	-	-
928: AFUDC Debt	323	-	-	-	323	-	-	-
929: AFUDC Equity	279	-	-	-	279	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(51,076)	-	-	-	(51,076)	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **64807325** **Luna GT 2 GSU Transformer CO2**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	21,391
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	13,513
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	1,453
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,648
914: Pension and Benefits	-	-	-	-	-	-	3,762
915: Injuries and Damages	-	-	-	-	-	-	4,274
921: Stores Load	-	-	-	-	-	-	32
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	2,405
926: A&G Loads	-	-	-	-	-	-	1,996
928: AFUDC Debt	-	-	-	-	-	-	323
929: AFUDC Equity	-	-	-	-	-	-	279
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(51,076)
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	0

Project No: **64807425** **Transmission Pole Replcmt Prog 2025**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information County % Total System 100%

Estimated Start Date 4/1/2025

Estimated Completion Date 12/31/2030

Description

This project will replace failed transmission poles to harden PNM's transmission system against high wind damage in Higher Fire Areas (HFAs) and increase reliability on our 46kV system. Prioritization was determined using OSMOSE test data and historic System Average Interruption Duration Index (SAIDI) data. Due to lead times on materials this project will have a 30/70 spend splitting between the first and second year, with clearings starting in 2026.

Project No: **64807425 Transmission Pole Replcmt Prog 2025**

Project Need Justification

This project will replace failed transmission poles identified for replacement through PNM's OSMOSE pole inspection program. Based on criteria established by OSMOSE, inspected poles may be classified as Priority 1 (P1) or Priority 2 (P2). P1 poles represent emergent conditions requiring immediate replacement. P2 poles have structural integrity at the time of testing but need to be replaced in the near future. If not replaced, these poles may become P1 poles.

This project provides funding for the proactive replacement of P2 transmission poles, with an initial focus on deficient poles located within High Fire Areas (HFAs) and along the ZB line. Replacing aging wood poles and associated assemblies improves the strength and structural integrity of the poles and transmission lines. Proactive pole replacement also impacts the decision on the implementation of a Public Safety Power Shutoff (PSPS). In addition, the project will enhance system reliability by replacing the original poles on PNM's 46 kV transmission lines.

Project No: **64807425 Transmission Pole Replcmt Prog 2025**

Project Alternatives	PNM could defer replacement of P2 poles and continue monitoring their condition, but leaving aging structures in service increases the likelihood of future P1 failures, especially during PSPS events or high-wind conditions. This alternative reduces immediate cost but elevates long-term reliability and public-safety risk.

Project No: **64807425 Transmission Pole Replcmt Prog 2025**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material and internal and external labor, they used a 10% contingency.

Project No: **64807425 Transmission Pole Replcmt Prog 2025**

Customer Benefit

This project enhances public safety and system security by replacing structurally deficient transmission poles identified through PNM's inspection program before they deteriorate to a condition that could pose a significant risk to the public, employees, and electric infrastructure. Replacing aging poles with stronger, more resilient structures improves the integrity of transmission lines, particularly in High Fire Threat Areas (HFAs), reducing the potential for pole failures and associated safety hazards. These improvements strengthen the security and resilience of the electric system, support informed operational decisions related to Public Safety Power Shutoff (PSPS) events, and help protect communities, customers, and critical infrastructure from safety risks associated with aging transmission assets.

Project No: **64807425 Transmission Pole Replcmt Prog 2025**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

Project No: **64807425** **Transmission Pole Replcmt Prog 2025**

General Services

Reliability & Resiliency

Safety & Security

By replacing aging transmission poles identified through PNM's inspection program, this project strengthens public safety, reduces infrastructure-related risks, and enhances system security in high-risk areas. These investments help protect customers and communities while supporting a more resilient and secure transmission network.

Technology Advancements

Project No: 64807425 Transmission Pole Replcmt Prog 2025

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	8,999	-	-	-	-	-	-	8,999
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	564,544	-	-	-	-	-	-	564,544
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	564	-	-	-	-	-	-	564
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(52,677)	-	-	-	-	-	-	(52,677)
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	692	-	-	-	-	-	-	692
914: Pension and Benefits	1,572	-	-	-	-	-	-	1,572
915: Injuries and Damages	1,796	-	-	-	-	-	-	1,796
921: Stores Load	1,547	-	-	-	-	-	-	1,547
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	25,368	-	-	-	-	-	-	25,368
926: A&G Loads	32,807	-	-	-	-	-	-	32,807
928: AFUDC Debt	13,770	1,368	-	-	-	-	-	15,138
929: AFUDC Equity	10,418	1,458	-	-	-	-	-	11,876
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	(557,328)	-	-	-	-	-	(557,328)
825: Closing Cost of Removal	-	(54,898)	-	-	-	-	-	(54,898)
Project Net	609,401	(609,401)	-	-	-	-	-	(0)

Project No: **64807425** **Transmission Pole Replcmt Prog 2025**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	8,999	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	564,544	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	564	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	(52,677)	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	692	-	-	-	-	-	-
914: Pension and Benefits	1,572	-	-	-	-	-	-
915: Injuries and Damages	1,796	-	-	-	-	-	-
921: Stores Load	1,547	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	25,368	-	-	-	-	-	-
926: A&G Loads	32,807	-	-	-	-	-	-
928: AFUDC Debt	15,138	-	-	-	-	-	-
929: AFUDC Equity	11,876	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(557,328)	-	-	-	-	-	-
825: Closing Cost of Removal	(54,898)	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **64807425** **Transmission Pole Replcmt Prog 2025**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	8,999
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	-	-	-	564,544
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	564
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	(52,677)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	692
914: Pension and Benefits	-	-	-	1,572
915: Injuries and Damages	-	-	-	1,796
921: Stores Load	-	-	-	1,547
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	25,368
926: A&G Loads	-	-	-	32,807
928: AFUDC Debt	-	-	-	15,138
929: AFUDC Equity	-	-	-	11,876
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(557,328)
825: Closing Cost of Removal	-	-	-	(54,898)
Project Net	-	-	-	(0)

Project No: 64807425 Transmission Pole Replcmt Prog 2025

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	8,999	-	-	-	8,999	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	564,544	-	-	-	564,544	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	564	-	-	-	564	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(52,677)	-	-	-	(52,677)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	692	-	-	-	692	-	-	-
914: Pension and Benefits	1,572	-	-	-	1,572	-	-	-
915: Injuries and Damages	1,796	-	-	-	1,796	-	-	-
921: Stores Load	1,547	-	-	-	1,547	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	25,368	-	-	-	25,368	-	-	-
926: A&G Loads	32,807	-	-	-	32,807	-	-	-
928: AFUDC Debt	15,138	-	-	-	15,138	-	-	-
929: AFUDC Equity	11,876	-	-	-	11,876	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(557,328)	-	-	-	(557,328)	-	-	-
825: Closing Cost of Removal	(54,898)	-	-	-	(54,898)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **64807425** **Transmission Pole Replcmt Prog 2025**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	8,999
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	564,544
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	564
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	(52,677)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	692
914: Pension and Benefits	-	-	-	-	-	-	1,572
915: Injuries and Damages	-	-	-	-	-	-	1,796
921: Stores Load	-	-	-	-	-	-	1,547
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	25,368
926: A&G Loads	-	-	-	-	-	-	32,807
928: AFUDC Debt	-	-	-	-	-	-	15,138
929: AFUDC Equity	-	-	-	-	-	-	11,876
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(557,328)
825: Closing Cost of Removal	-	-	-	-	-	-	(54,898)
Project Net	-	-	-	-	-	-	(0)

Project No: **64807527** **Claremont Building Demolition**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information

County %	Bernalillo	100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

This project consists of demolition of an existing building located in the property procured for a new Claremont replacement Substation. This new Claremont Substation will consist of two 115-12.47 kV, 33.7 MVA transformers and switchgear and will be located near the decommissioned Claremont Substation. The property procured by PNM was chosen due to being only 150' north of the existing substation, greatly reducing the cost of transmission line extension and feeder relocations. The new substation will address existing planning criteria violations and builds necessary capacity to serve growth in the area.

Project No: 64807527 Claremont Building Demolition

Project Need Justification

Removal of the building is a necessary activity that supports the planned future construction of the new substation. By undertaking site preparation work in advance, PNM is managing project risk proactively, enhancing constructability, and improving confidence in future project execution. The project also provides immediate benefits by removing an abandoned structure that poses potential safety, security, and maintenance concerns. Accordingly, the proposed investment both advances long-term system needs and mitigates near-term risks associated with retaining a vacant building on the property.

Project No: **64807527** **Claremont Building Demolition**

Project Alternatives

The "do nothing alternative" would mean lengthening the new substation project in schedule and increased costs by delaying the removal. It also does nothing to address any safety and security concerns or maintenance costs.
Another alternative would be to use the building. However, the building is not useful for a substation, and it impedes with planned equipment locations.

Project No: **64807527** **Claremont Building Demolition**

Project Estimate Approach	This project's estimate is based on a budgetary quote from a demolition contractor acquired by PNM facilities management.

Project No: **64807527** **Claremont Building Demolition**

Customer Benefit	Demolishing the building ahead of the substation construction project proactively prepares a future substation site by removing an unused structure that could otherwise create safety, security, and construction risks. The work improves site readiness, supports more efficient development of future electric infrastructure, and helps ensure reliable service is delivered to customers in a safe and cost-effective manner. It should result in reduced capital costs for the substation construction project and reduce the risk of unplanned maintenance or security costs.

Project No: 64807527 Claremont Building Demolition

Primary Value Driver	Reliability & Resiliency
Compliance	
Customer Delivery	This project supports the overall goal of the Claremont substation project. The new substation is critical for necessary capacity to serve growth in the area.
Energy Transition	

Project No: **64807527** **Claremont Building Demolition**

General Services

Reliability & Resiliency

This project supports the overall goal of the Claremont substation project. The new substation will address existing planning criteria violations and builds necessary capacity to serve growth in the area. It also replaces aging infrastructure. The project should result in reduced SAIDI minutes by providing additional transfer capacity and by preventing overloads on existing equipment.

Safety & Security

Demolition of the existing building on the property removes an unused structure that could otherwise create safety, security, and construction risks.

Technology Advancements

Project No: 64807527 Claremont Building Demolition

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **64807527** **Claremont Building Demolition**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	12,500	12,500	12,500	12,500	12,500	12,500
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	112,500	112,500	112,500	112,500	112,500	112,500
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	1,033	1,033	1,033	1,033	1,033	1,033
914: Pension and Benefits	-	2,374	2,374	2,374	2,374	2,374	2,374
915: Injuries and Damages	-	2,370	2,370	2,370	2,370	2,370	2,370
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	19,616	19,616	19,616	19,616	19,616	19,616
926: A&G Loads	-	4,688	4,688	4,688	4,688	4,688	4,688
928: AFUDC Debt	-	169	508	849	1,192	1,536	1,882
929: AFUDC Equity	-	229	687	1,149	1,612	2,078	2,546
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	155,478	156,276	157,078	157,884	158,694	159,509

Project No: **64807527** **Claremont Building Demolition**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	12,500	12,500	12,500	112,500
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	112,500	112,500	112,500	1,012,500
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	1,033	1,033	1,033	9,293
914: Pension and Benefits	2,374	2,374	2,374	21,364
915: Injuries and Damages	2,370	2,370	2,370	21,330
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	19,616	19,616	19,616	176,548
926: A&G Loads	4,688	4,688	4,688	42,188
928: AFUDC Debt	2,230	2,580	2,932	13,878
929: AFUDC Equity	3,017	3,491	3,966	18,775
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	160,328	161,151	161,978	1,428,375

Project No: 64807527 Claremont Building Demolition

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	112,500	12,500	12,500	12,500	150,000	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	1,012,500	112,500	112,500	112,500	1,350,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	9,293	1,033	1,033	1,033	12,390	-	-	-
914: Pension and Benefits	21,364	2,374	2,374	2,374	28,485	-	-	-
915: Injuries and Damages	21,330	2,370	2,370	2,370	28,440	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	176,548	19,616	19,616	19,616	235,397	-	-	-
926: A&G Loads	42,188	4,688	4,688	4,688	56,250	-	-	-
928: AFUDC Debt	13,878	3,285	3,641	3,998	24,803	-	-	-
929: AFUDC Equity	18,775	4,445	4,925	5,409	33,554	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(1,882,099)	(1,882,099)	-	-	-
825: Closing Cost of Removal	-	-	-	(37,219)	(37,219)	-	-	-
Project Net	1,428,375	162,810	163,646	(1,754,832)	0	-	-	-

Project No: 64807527 Claremont Building Demolition

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	150,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	1,350,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	12,390
914: Pension and Benefits	-	-	-	-	-	-	28,485
915: Injuries and Damages	-	-	-	-	-	-	28,440
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	235,397
926: A&G Loads	-	-	-	-	-	-	56,250
928: AFUDC Debt	-	-	-	-	-	-	24,803
929: AFUDC Equity	-	-	-	-	-	-	33,554
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,882,099)
825: Closing Cost of Removal	-	-	-	-	-	-	(37,219)
Project Net	-	-	-	-	-	-	0

Project No: 64807625 FERC-881 AAR

Company:	002	Transmission Services
Location:	648	Transmission General 2

Project Information County % Total System 100%

Estimated Start Date 10/1/2025

Estimated Completion Date 12/31/2027

Description

This project supports compliance with FERC Order No. 881, which requires the implementation of Ambient Adjusted Ratings (AAR) and Seasonal Line Ratings across the transmission system. Funding will be used to complete a system-wide weather study necessary to support transmission line rating calculations and compliance requirements.

Project activities include engineering services to support stakeholder coordination, development of scopes of work for weather service providers and line rating studies, and evaluation of line rating methodologies. The project also includes the purchase and installation of weather monitoring stations at the Albuquerque (ABO), Cabezon, and Pintado locations to provide the meteorological data required for accurate and compliant transmission line ratings. This initiative enhances situational awareness, improves transmission system utilization, and ensures regulatory compliance with FERC Order No. 881.

Project No: **64807625** **FERC-881 AAR**

Project Need Justification

This is a FERC requirement that must be met by 10/1/2027, which requires the implementation of Ambient Adjusted Ratings (AAR) and Seasonal Line Ratings across the transmission system. Funding will be used to complete a system-wide weather study necessary to support transmission line rating calculations and compliance requirements.

Project No: **64807625** **FERC-881 AAR**

Project Alternatives	No alternatives considered. Project is needed to meet FERC requirement by 10/1/2027.

Project No: **64807625** **FERC-881 AAR**

Project Estimate Approach	The estimate includes the cost to procure and install weather stations at 3 site locations. Quotes were provided by vendors and includes hard bids for major equipment, miscellaneous materials, and contracted labor. Internal PNM labor was included.

Project No: **64807625** **FERC-881 AAR**

Customer Benefit	Compliance with FERC Order 881 provides customer benefits by implementing Ambient Adjusted Ratings (AAR), which use weather-based conditions to more accurately determine available transmission line capacity. AAR enables more efficient utilization of existing transmission infrastructure, improving reliability, reducing congestion risks, and increasing operational flexibility during changing system conditions. By optimizing available transmission capacity and supporting informed system operations, the project enhances grid resiliency, supports growing customer demand, and delivers long-term value while helping avoid or defer more costly infrastructure investments.

Project No: **64807625** **FERC-881 AAR**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64807625** **FERC-881 AAR**

General Services

Reliability & Resiliency

The entire Transmission system statewide will benefit from Ambient Adjusted Ratings (AAR) per PNM's FERC requirements.

Safety & Security

Technology Advancements

Project No: 64807625 FERC-881 AAR

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	3,405	4,854	111,650	4,854	4,854	4,854	4,854	139,327
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	26,577	27,704	-	-	-	-	-	54,281
370: Outside Services	35,144	43,342	300,623	43,342	11,562	11,562	11,562	457,137
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	195	-	-	-	-	-	-	195
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	259	370	8,508	370	370	370	370	10,617
914: Pension and Benefits	623	903	20,778	903	903	903	903	25,918
915: Injuries and Damages	674	961	22,107	961	961	961	961	27,587
921: Stores Load	88	1,188	-	-	-	-	-	1,275
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	3,350	4,493	26,661	2,900	1,072	1,072	1,072	40,621
926: A&G Loads	3,736	3,947	21,438	2,506	854	854	854	34,189
928: AFUDC Debt	153	289	1,015	1,707	1,808	1,867	1,926	8,764
929: AFUDC Equity	120	308	1,082	1,819	1,927	1,989	2,053	9,297
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	74,323	88,360	513,863	59,362	24,311	24,433	24,556	809,209

Project No: **64807625** **FERC-881 AAR**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	139,327	5,000	5,000	5,000	5,000	5,000	5,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	54,281	-	-	-	-	-	-
370: Outside Services	457,137	11,909	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	195	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	10,617	413	413	413	413	413	413
914: Pension and Benefits	25,918	950	950	950	950	950	950
915: Injuries and Damages	27,587	948	948	948	948	948	948
921: Stores Load	1,275	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	40,621	2,883	1,097	1,097	1,097	1,097	1,097
926: A&G Loads	34,189	634	188	188	188	188	188
928: AFUDC Debt	8,764	1,794	1,837	1,865	1,894	1,923	1,951
929: AFUDC Equity	9,297	2,426	2,485	2,524	2,562	2,601	2,640
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	809,209	26,956	12,917	12,984	13,051	13,118	13,186

Project No: **64807625** **FERC-881 AAR**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	5,000	5,000	5,000	184,327
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	54,281
370: Outside Services	-	-	-	469,046
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	195
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	413	413	413	14,334
914: Pension and Benefits	950	950	950	34,464
915: Injuries and Damages	948	948	948	36,119
921: Stores Load	-	-	-	1,275
922: Minor Material Load	-	-	-	-
925: E&S Loads	1,097	1,097	1,097	52,276
926: A&G Loads	188	188	188	36,323
928: AFUDC Debt	1,980	2,009	2,039	26,057
929: AFUDC Equity	2,679	2,718	2,758	32,691
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	13,254	13,323	13,391	941,388

Project No: 64807625 FERC-881 AAR

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	184,327	5,000	5,000	-	194,327	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	54,281	-	-	-	54,281	-	-	-
370: Outside Services	469,046	-	-	-	469,046	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	195	-	-	-	195	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	14,334	413	413	-	15,160	-	-	-
914: Pension and Benefits	34,464	950	950	-	36,363	-	-	-
915: Injuries and Damages	36,119	948	948	-	38,015	-	-	-
921: Stores Load	1,275	-	-	-	1,275	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	52,276	1,097	1,097	-	54,470	-	-	-
926: A&G Loads	36,323	188	188	-	36,698	-	-	-
928: AFUDC Debt	26,057	2,068	2,098	2,118	32,341	-	-	-
929: AFUDC Equity	32,691	2,798	2,838	2,865	41,192	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(956,847)	(956,847)	-	-	-
825: Closing Cost of Removal	-	-	-	(16,516)	(16,516)	-	-	-
Project Net	941,388	13,461	13,530	(968,379)	(0)	-	-	-

Project No: **64807625** **FERC-881 AAR**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	194,327
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	54,281
370: Outside Services	-	-	-	-	-	-	469,046
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	195
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	15,160
914: Pension and Benefits	-	-	-	-	-	-	36,363
915: Injuries and Damages	-	-	-	-	-	-	38,015
921: Stores Load	-	-	-	-	-	-	1,275
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	54,470
926: A&G Loads	-	-	-	-	-	-	36,698
928: AFUDC Debt	-	-	-	-	-	-	32,341
929: AFUDC Equity	-	-	-	-	-	-	41,192
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(956,847)
825: Closing Cost of Removal	-	-	-	-	-	-	(16,516)
Project Net	-	-	-	-	-	-	(0)

Project No: 64807626 YTH Failed Breaker Replacement

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information

County % McKinley 100%

Estimated Start Date 3/1/2026

Estimated Completion Date 12/31/2027

Description

This project provides for the replacement of damaged 115kV equipment at the Yah-Ta-Hey Substation, a 345kV to 115kV transmission station located outside of Gallup. A recent ground fault event resulted in failure of the 115kV capacitor bank circuit breaker and caused damage to associated grounding, protection, control, and telecom systems. The breaker is currently out of service, and multiple supporting systems require repair or replacement to restore full operational integrity.

The scope includes replacement of the failed 115kV capacitor bank breaker, new grounding conductors and evaluation/upgrades to the ground grid, replacement of affected relay panels and interconnecting control cables, and restoration of Supervisory Control and Data Acquisition/Remote Terminal Unit (SCADA/RTU) functionality. This work is necessary to mitigate safety risk, prevent recurrence of fault-related damage, restore reactive power capability, and ensure reliable operation of this critical 345kV/115kV interconnection point serving the Gallup area.

Project No: 64807626 YTH Failed Breaker Replacement

Project Need Justification

A recent ground fault event at the Yah-Ta-Hey 115kV substation exposed significant deficiencies in the existing substation grounding. As a result of the event, the 115kV capacitor bank breaker (BKR 29562), the station RTU, and Ambrosia - Yah-Ta-Hey (AY) Line Protection and breaker control panels were damaged, are currently out of service, and cannot be returned to reliable operation without substantial corrective work.

Based on site findings and system impact, replacement of the damaged breaker and associated protection and control equipment is necessary to restore the system to its previous operating state. Furthermore, system grounding improvements must be made for continued reliability, reduce any further system/equipment impacts, mitigate safety risks, and ensure compliance with current substation grounding and protection standards.

Project No: 64807626 YTH Failed Breaker Replacement

Project Alternatives

Alternative 1: Operate without repairing/replacing equipment. This would compromise Bulk Electric System (BES) reliability due to the Yah-Ta-Hey terminal of the AY Line being open and preventing the Capacitor Bank from being used. The damaged RTU would also prevent Power Operations from having visibility of the operation of the station.

Alternative 2: Decommission the Capacitor Bank. Operations determined the system cannot be run adequately long term without the availability of the Capacitor Bank.

Project No: **64807626** **YTH Failed Breaker Replacement**

Project Estimate Approach	A combination of existing project costs and spending utilizing contractors for the replacement of all equipment was used. A small amount of contingency was allocated for unknown variations that could occur, such as grounding deficiencies.

Project No: **64807626 YTH Failed Breaker Replacement**

Customer Benefit	Replacing the damaged 115kV equipment at the Yah-Ta-Hey Substation provides direct reliability, resiliency, and safety benefits for customers served in the Gallup area. Restoring the failed capacitor bank breaker and associated protection, control, grounding, and telecommunications systems strengthens the reliability of this critical 345kV/115kV transmission interconnection point, reducing the risk of equipment failures that could lead to outages or extended service interruptions. The project also restores reactive power support and system monitoring capabilities, helping maintain voltage stability and improving overall grid performance. By addressing fault-related damage and enhancing system protection, the project supports a safer, more resilient electric system that delivers dependable service to customers while reducing the likelihood of future disruptions.

Project No: **64807626** **YTH Failed Breaker Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64807626** **YTH Failed Breaker Replacement**

General Services

Reliability & Resiliency

This project restores critical 115kV equipment at the Yah-Ta-Hey Substation, improving reliability, resiliency, and safety for customers in the Gallup area. Replacing damaged equipment and restoring protection, grounding, and communication systems reduces the risk of outages, improves voltage support, and helps ensure continued delivery of safe, reliable electric service.

Safety & Security

Technology Advancements

Project No: 64807626 YTH Failed Breaker Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	468	-	-	-	-	-	-	468
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	2,036	350,281	-	41,987	256,064	459,351	-	1,109,719
370: Outside Services	24,295	366,659	295,081	583,026	335,754	1,088,858	36,341	2,730,014
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	199	-	-	-	-	-	-	199
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	36	-	-	-	-	-	-	36
914: Pension and Benefits	86	-	-	-	-	-	-	86
915: Injuries and Damages	93	-	-	-	-	-	-	93
921: Stores Load	80	15,020	-	1,800	10,980	19,697	-	47,577
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,559	41,224	16,967	35,938	34,030	89,022	2,090	220,830
926: A&G Loads	1,533	37,281	15,344	32,501	30,775	80,507	1,890	199,830
928: AFUDC Debt	42	1,055	2,435	3,684	5,350	8,284	10,474	31,323
929: AFUDC Equity	32	1,124	2,595	3,926	5,701	8,828	11,163	33,370
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(4,287,974)	(4,287,974)
825: Closing Cost of Removal	-	-	-	-	-	-	(85,569)	(85,569)
Project Net	30,458	812,644	332,423	702,862	678,653	1,754,547	(4,311,586)	0

Project No: **64807626** **YTH Failed Breaker Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	468	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	1,109,719	-	-	-	-	-	-
370: Outside Services	2,730,014	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	199	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	36	-	-	-	-	-	-
914: Pension and Benefits	86	-	-	-	-	-	-
915: Injuries and Damages	93	-	-	-	-	-	-
921: Stores Load	47,577	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	220,830	-	-	-	-	-	-
926: A&G Loads	199,830	-	-	-	-	-	-
928: AFUDC Debt	31,323	-	-	-	-	-	-
929: AFUDC Equity	33,370	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(4,287,974)	-	-	-	-	-	-
825: Closing Cost of Removal	(85,569)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **64807626** **YTH Failed Breaker Replacement**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	468
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	1,109,719
370: Outside Services	-	-	-	2,730,014
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	199
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	36
914: Pension and Benefits	-	-	-	86
915: Injuries and Damages	-	-	-	93
921: Stores Load	-	-	-	47,577
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	220,830
926: A&G Loads	-	-	-	199,830
928: AFUDC Debt	-	-	-	31,323
929: AFUDC Equity	-	-	-	33,370
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(4,287,974)
825: Closing Cost of Removal	-	-	-	(85,569)
Project Net	-	-	-	0

Project No: 64807626 YTH Failed Breaker Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	468	-	-	-	468	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,109,719	-	-	-	1,109,719	-	-	-
370: Outside Services	2,730,014	-	-	-	2,730,014	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	199	-	-	-	199	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	36	-	-	-	36	-	-	-
914: Pension and Benefits	86	-	-	-	86	-	-	-
915: Injuries and Damages	93	-	-	-	93	-	-	-
921: Stores Load	47,577	-	-	-	47,577	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	220,830	-	-	-	220,830	-	-	-
926: A&G Loads	199,830	-	-	-	199,830	-	-	-
928: AFUDC Debt	31,323	-	-	-	31,323	-	-	-
929: AFUDC Equity	33,370	-	-	-	33,370	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(4,287,974)	-	-	-	(4,287,974)	-	-	-
825: Closing Cost of Removal	(85,569)	-	-	-	(85,569)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **64807626** **YTH Failed Breaker Replacement**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	468
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,109,719
370: Outside Services	-	-	-	-	-	-	2,730,014
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	199
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	36
914: Pension and Benefits	-	-	-	-	-	-	86
915: Injuries and Damages	-	-	-	-	-	-	93
921: Stores Load	-	-	-	-	-	-	47,577
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	220,830
926: A&G Loads	-	-	-	-	-	-	199,830
928: AFUDC Debt	-	-	-	-	-	-	31,323
929: AFUDC Equity	-	-	-	-	-	-	33,370
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(4,287,974)
825: Closing Cost of Removal	-	-	-	-	-	-	(85,569)
Project Net	-	-	-	-	-	-	0

Project No: **64807642** **Guadalupe SVC Backup Generator**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information

County % San Miguel 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 6/30/2028

Description

The ultimate purpose of this project is to improve the reliability and availability of auxiliary alternating current (AC) power at Guadalupe substation. This will be completed in two ways. First, a new backup generator will be installed for the Guadalupe Static VAR Compensator (SVC), where VAR refers to volt-ampere reactive. Secondly, a new 345kV station service voltage transformer (SSVT) will be installed to provide AC power for the main Guadalupe control house.

Project No: 64807642 Guadalupe SVC Backup Generator

Project Need Justification	The SVC helps regulate voltage on the Eastern Interconnect 345kV system and is critical for full output of the connected wind farms. The SVC has only one source of start-up power, which is fed from an approximate 30-mile long co-op distribution feed that is notably unreliable. The new back-up generator will be available to provide start up power for this critical facility at all times regardless of the state of the co-op distribution feed. Currently the main Guadalupe control house is fed from the tertiary windings of a 38-year-old shunt reactor within the station. However, when wind output is high, the system requires this reactor be de-energized, placing the Guadalupe station on a longer and less reliable co-op feed. The SSVT will replace the main AC power feed for the station and provide increased availability and reliability when compared to the existing reactor tertiary feed.

Project No: 64807642 Guadalupe SVC Backup Generator

Project Alternatives

The alternative for the back-up generator was using an existing generator that provides back-up power for the main control house. However, this is not possible since the SVC requires three-phase power. The existing generator is single phase, like the main control house, and is not large enough to support both loads.

The alternative for the SSVT is tying the main control house to the SVC power. However, this is not possible due to the aforementioned difference between three-phase and single-phase power. In addition, the SVC power is only available when the SVC is on.
The do nothing option is not recommended since the existing level of reliability and availability of the AC power systems at Guadalupe station has been determined to not be acceptable.

Project No: 64807642 Guadalupe SVC Backup Generator

Project Estimate Approach	The project estimate was developed using a cost estimate prepared by a contractor and is based on the anticipated installation of a backup generator, associated station service upgrades, and supporting equipment modifications. The estimate assumes engineering updates to drawings and design packages associated with the load bank, surge arrestors, automatic transfer switch (ATS), SSVT, generator scope, and drafting revisions throughout project development. Contingency was included within the estimator's budget to address project uncertainties; however, future change orders related to drawing revisions and equipment updates were not specifically identified. Internal resources will provide engineering, sourcing, and project management support, while specialized engineering and construction services will be performed by external consultants and contractors.

Project No: **64807642** **Guadalupe SVC Backup Generator**

Customer Benefit	Guadalupe Station is a key link in the Eastern New Mexico interconnection project. Upstream from Guadalupe Station is approximately 900MW of connected wind generation capacity as well as the Blackwater Synchronous Condenser and the direct current (DC) connection to the Southwest Power Pool (SPP) grid. It is paramount that Guadalupe Station is online at all times to support the customers in the area. A more reliable AC auxiliary power system supports this goal. The SVC is critical to controlling voltages on the eastern interconnect system. As such it is important for the system that it is available to start when required.

Project No: **64807642** **Guadalupe SVC Backup Generator**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64807642** **Guadalupe SVC Backup Generator**

General Services

Reliability & Resiliency

The improvements described above will result in better reliability for the auxiliary AC power systems for the Guadalupe main control house and the SVC by reducing reliance on long, unreliable distribution feeds.

Safety & Security

Technology Advancements

Project No: 64807642 Guadalupe SVC Backup Generator

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	45,203	10,000	10,000	-	-	-	-	65,203
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	376,648	-	144,672	-	-	-	-	521,320
370: Outside Services	392,080	5,391	404,733	-	-	-	-	802,204
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,126	-	-	-	-	-	-	1,126
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	3,535	762	762	-	-	-	-	5,059
914: Pension and Benefits	8,124	1,861	1,861	-	-	-	-	11,846
915: Injuries and Damages	9,036	1,980	1,980	-	-	-	-	12,996
921: Stores Load	1,937	-	6,204	-	-	-	-	8,141
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	62,377	1,150	32,430	-	-	-	-	95,958
926: A&G Loads	41,304	800	29,089	-	-	-	-	71,194
928: AFUDC Debt	41,662	2,529	3,332	-	-	-	-	47,522
929: AFUDC Equity	31,375	2,695	3,551	-	-	-	-	37,620
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	(1,667,115)	-	-	-	-	(1,667,115)
825: Closing Cost of Removal	-	-	(13,074)	-	-	-	-	(13,074)
Project Net	1,014,408	27,168	(1,041,575)	-	-	-	-	-

Project No: **64807642** **Guadalupe SVC Backup Generator**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	65,203	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	521,320	-	-	-	-	-	-
370: Outside Services	802,204	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	1,126	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	5,059	-	-	-	-	-	-
914: Pension and Benefits	11,846	-	-	-	-	-	-
915: Injuries and Damages	12,996	-	-	-	-	-	-
921: Stores Load	8,141	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	95,958	-	-	-	-	-	-
926: A&G Loads	71,194	-	-	-	-	-	-
928: AFUDC Debt	47,522	-	-	-	-	-	-
929: AFUDC Equity	37,620	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(1,667,115)	-	-	-	-	-	-
825: Closing Cost of Removal	(13,074)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **64807642** **Guadalupe SVC Backup Generator**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	65,203
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	521,320
370: Outside Services	-	-	-	802,204
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	1,126
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	5,059
914: Pension and Benefits	-	-	-	11,846
915: Injuries and Damages	-	-	-	12,996
921: Stores Load	-	-	-	8,141
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	95,958
926: A&G Loads	-	-	-	71,194
928: AFUDC Debt	-	-	-	47,522
929: AFUDC Equity	-	-	-	37,620
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(1,667,115)
825: Closing Cost of Removal	-	-	-	(13,074)
Project Net	-	-	-	-

Project No: 64807642 Guadalupe SVC Backup Generator

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	65,203	-	-	-	65,203	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	521,320	-	-	-	521,320	-	-	-
370: Outside Services	802,204	-	-	-	802,204	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,126	-	-	-	1,126	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	5,059	-	-	-	5,059	-	-	-
914: Pension and Benefits	11,846	-	-	-	11,846	-	-	-
915: Injuries and Damages	12,996	-	-	-	12,996	-	-	-
921: Stores Load	8,141	-	-	-	8,141	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	95,958	-	-	-	95,958	-	-	-
926: A&G Loads	71,194	-	-	-	71,194	-	-	-
928: AFUDC Debt	47,522	-	-	-	47,522	-	-	-
929: AFUDC Equity	37,620	-	-	-	37,620	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,667,115)	-	-	-	(1,667,115)	-	-	-
825: Closing Cost of Removal	(13,074)	-	-	-	(13,074)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **64807642** **Guadalupe SVC Backup Generator**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	65,203
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	521,320
370: Outside Services	-	-	-	-	-	-	802,204
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	1,126
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	5,059
914: Pension and Benefits	-	-	-	-	-	-	11,846
915: Injuries and Damages	-	-	-	-	-	-	12,996
921: Stores Load	-	-	-	-	-	-	8,141
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	95,958
926: A&G Loads	-	-	-	-	-	-	71,194
928: AFUDC Debt	-	-	-	-	-	-	47,522
929: AFUDC Equity	-	-	-	-	-	-	37,620
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,667,115)
825: Closing Cost of Removal	-	-	-	-	-	-	(13,074)
Project Net	-	-	-	-	-	-	-

Project No: **64808026** **Guadalupe Reactor Replacement**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information County % Total System 100%

Estimated Start Date 7/1/2026

Estimated Completion Date 12/31/2027

Description

This project involves the replacement of an existing 44MVAR 345kV shunt reactor at the Guadalupe 345kV station. The Guadalupe 44 MVAR reactor failed after a bushing seal issue caused the conservator tank to lose oil while the unit was in service, leading to an over-temperature trip and DGA results showing high acetylene levels. Follow-up testing could not be completed because the damaged H0 bushing likely created an internal path to ground, and no suitable replacement bushing was available because the existing GOB 380 model had been discontinued. As a result, PNM determined the 1984 ASEA reactor was at end of life and should be replaced. The project includes replacement with a spare 72MVAr unit. It includes all foundation, grounding, conduit, wiring, and additional auxiliary work to connect the replacement reactor.

Project No: 64808026 Guadalupe Reactor Replacement

Project Need Justification

This project replaces a failed shunt reactor that is critical for voltage control on PNM's eastern New Mexico 345 kV transmission system. The reactor offsets the capacitive effects of long transmission lines and helps maintain system voltages within acceptable operating limits. Without this equipment, periods of light load and high generation output can result in elevated transmission voltages, increasing the risk of equipment stress or damage and reducing operational flexibility. Replacing the failed equipment is necessary to support reliable system operations, protect transmission and generation equipment from excessive voltages, and ensure the continued ability of interconnected wind generation facilities to reliably connect to and operate on the transmission system.

Project No: **64808026** **Guadalupe Reactor Replacement**

Project Alternatives

One alternative is to take the reactor out of service without replacing it. However, this would result in less operational flexibility and a higher risk of loss of critical voltage control leading to equipment damage or inability of wind farms to connect to PNM's system. Another alternative considered is to replace the reactor with one of the exact size of the failed unit instead of the proposed 72MVAr reactor. However, recent reactor quotes show lead times to 2029. Loss of voltage control for that long is not acceptable for operations.

Project No: **64808026** **Guadalupe Reactor Replacement**

Project Estimate Approach

The estimate was created by splitting the project into different subtasks and assigning a cost based on subtask. These costs were based on previous similar work.

Project No: **64808026** **Guadalupe Reactor Replacement**

Customer Benefit	Replacing the failed Guadalupe shunt reactor helps maintain reliable electric service on PNM's 345kV Eastern New Mexico system by preserving proper voltage control, protecting critical transmission infrastructure, and supporting the continued operation and integration of renewable energy resources that serve PNM customers.

Project No: **64808026** **Guadalupe Reactor Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64808026** **Guadalupe Reactor Replacement**

General Services

Reliability & Resiliency

Replacing the failed shunt reactor helps maintain reliable electric service by preserving proper voltage control, protecting critical transmission infrastructure, and supporting the continued operation and integration of renewable energy resources that serve PNM customers.

Safety & Security

Technology Advancements

Project No: 64808026 Guadalupe Reactor Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **64808026** **Guadalupe Reactor Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	64,125	7,125	7,125	7,125	7,125	7,125
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	582,991	83,000	2,375	2,375	-
370: Outside Services	-	772,695	480,535	427,375	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	5,297	589	589	589	589	589
914: Pension and Benefits	-	12,177	1,353	1,353	1,353	1,353	1,353
915: Injuries and Damages	-	12,158	1,351	1,351	1,351	1,351	1,351
921: Stores Load	-	-	19,052	2,712	78	78	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	129,968	161,092	78,119	1,919	1,919	1,563
926: A&G Loads	-	31,381	40,149	19,406	356	356	267
928: AFUDC Debt	-	1,121	3,658	5,766	6,490	6,557	6,621
929: AFUDC Equity	-	1,516	4,949	7,800	8,779	8,870	8,957
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,996,976)
825: Closing Cost of Removal	-	-	-	-	-	-	(59,712)
Project Net	-	1,030,437	1,302,844	634,596	30,414	30,572	(3,028,863)

Project No: **64808026** **Guadalupe Reactor Replacement**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	99,750
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	670,741
370: Outside Services	-	-	-	1,680,605
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	8,239
914: Pension and Benefits	-	-	-	18,943
915: Injuries and Damages	-	-	-	18,913
921: Stores Load	-	-	-	21,920
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	374,579
926: A&G Loads	-	-	-	91,916
928: AFUDC Debt	-	-	-	30,212
929: AFUDC Equity	-	-	-	40,872
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(2,996,976)
825: Closing Cost of Removal	-	-	-	(59,712)
Project Net	-	-	-	0

Project No: 64808026 Guadalupe Reactor Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	99,750	-	-	-	99,750	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	670,741	-	-	-	670,741	-	-	-
370: Outside Services	1,680,605	-	-	-	1,680,605	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	8,239	-	-	-	8,239	-	-	-
914: Pension and Benefits	18,943	-	-	-	18,943	-	-	-
915: Injuries and Damages	18,913	-	-	-	18,913	-	-	-
921: Stores Load	21,920	-	-	-	21,920	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	374,579	-	-	-	374,579	-	-	-
926: A&G Loads	91,916	-	-	-	91,916	-	-	-
928: AFUDC Debt	30,212	-	-	-	30,212	-	-	-
929: AFUDC Equity	40,872	-	-	-	40,872	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(2,996,976)	-	-	-	(2,996,976)	-	-	-
825: Closing Cost of Removal	(59,712)	-	-	-	(59,712)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **64808026** **Guadalupe Reactor Replacement**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	99,750
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	670,741
370: Outside Services	-	-	-	-	-	-	1,680,605
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	8,239
914: Pension and Benefits	-	-	-	-	-	-	18,943
915: Injuries and Damages	-	-	-	-	-	-	18,913
921: Stores Load	-	-	-	-	-	-	21,920
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	374,579
926: A&G Loads	-	-	-	-	-	-	91,916
928: AFUDC Debt	-	-	-	-	-	-	30,212
929: AFUDC Equity	-	-	-	-	-	-	40,872
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,996,976)
825: Closing Cost of Removal	-	-	-	-	-	-	(59,712)
Project Net	-	-	-	-	-	-	0

Project No: 64808126 Ojo Reactor Replacement

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

County %		
	Rio Arriba	20%
	Taos	20%
	Sandoval	20%
	Los Alamos	20%
	Santa Fe	20%

Description

This project involves the replacement of an existing 35MVAR 345kV shunt reactor at the Ojo 345/115kV substation. The Ojo 35 MVAR reactor was removed from service after the online dissolved gas analysis (DGA) monitor showed extremely high gas levels and crews heard a loud internal arcing sound. Although electrical testing was inconclusive, Doble recommended further core inspection, and PNM ultimately decided to replace the unit due to the suspected internal issue and the reactor's estimated 1980s vintage/end-of-life condition. The project includes replacement with a spare 72MVAr unit. It includes all foundation, grounding, conduit, wiring, and additional auxiliary work to connect the replacement reactor.

Project No: 64808126 Ojo Reactor Replacement

Project Need Justification

This project replaces a failed shunt reactor that is critical for voltage control on PNM's northern New Mexico transmission system. The reactor offsets excess reactive power on the transmission network and helps maintain system voltages within acceptable operating limits. Replacing the failed equipment is necessary to support reliable system operations, protect transmission and customer-serving infrastructure from excessive voltages, and maintain compliance with system operating requirements.

Project No: 64808126 Ojo Reactor Replacement

Project Alternatives

One alternative is to take the reactor out of service without replacing it. However, this would result in less operational flexibility and a higher risk of loss of critical voltage control leading to equipment damage on PNM's Northern NM system and other interconnected systems. Another alternative considered is to replace the reactor with one of the exact size of the failed unit instead of the proposed 72MVAr reactor. However, recent reactor quotes show lead times to 2029. Loss of voltage control for that long is not acceptable for operations.

Project No: **64808126** **Ojo Reactor Replacement**

Project Estimate Approach	The estimate was created by splitting the project into different subtasks and assigning a cost based on subtask. These costs were based on previous similar work.

Project No: **64808126** **Ojo Reactor Replacement**

Customer Benefit	Replacing the failed Ojo 345kV shunt reactor helps maintain reliable electric service in Northern New Mexico by preserving proper voltage control and protecting critical transmission infrastructure from voltage-related damage. The project strengthens the reliability and operational flexibility of the northern New Mexico transmission system, helping ensure continued safe and reliable service to customers.

Project No: **64808126** **Ojo Reactor Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64808126** **Ojo Reactor Replacement**

General Services

Reliability & Resiliency

Replacing the failed shunt reactor helps maintain reliable electric service by preserving proper voltage control and protecting critical transmission infrastructure from voltage-related damage. The project strengthens the reliability and operational flexibility of the northern New Mexico transmission system, helping ensure continued safe and reliable service to customers.

Safety & Security

Technology Advancements

Project No: 64808126 Ojo Reactor Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **64808126** **Ojo Reactor Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	49,875	7,125	7,125	7,125	7,125	14,250
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	500,991	-	-
370: Outside Services	-	115,625	695,595	574,595	574,595	2,375	4,750
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	4,120	589	589	589	589	1,177
914: Pension and Benefits	-	9,471	1,353	1,353	1,353	1,353	2,706
915: Injuries and Damages	-	9,456	1,351	1,351	1,351	1,351	2,702
921: Stores Load	-	-	-	-	16,372	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	28,282	105,902	87,752	162,901	1,919	3,838
926: A&G Loads	-	6,206	26,352	21,815	40,602	356	713
928: AFUDC Debt	-	243	1,402	3,080	5,278	6,746	6,830
929: AFUDC Equity	-	329	1,896	4,167	7,140	9,126	9,240
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	223,608	841,564	701,826	1,318,295	30,939	46,205

Project No: **64808126** **Ojo Reactor Replacement**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	14,250	-	-	106,875
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	500,991
370: Outside Services	4,750	-	-	1,972,285
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	1,177	-	-	8,828
914: Pension and Benefits	2,706	-	-	20,296
915: Injuries and Damages	2,702	-	-	20,264
921: Stores Load	-	-	-	16,372
922: Minor Material Load	-	-	-	-
925: E&S Loads	3,838	-	-	394,431
926: A&G Loads	713	-	-	96,756
928: AFUDC Debt	6,932	-	-	30,510
929: AFUDC Equity	9,377	-	-	41,275
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	(3,146,140)	-	-	(3,146,140)
825: Closing Cost of Removal	(62,742)	-	-	(62,742)
Project Net	(3,162,438)	-	-	0

Project No: 64808126 Ojo Reactor Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	106,875	-	-	-	106,875	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	500,991	-	-	-	500,991	-	-	-
370: Outside Services	1,972,285	-	-	-	1,972,285	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	8,828	-	-	-	8,828	-	-	-
914: Pension and Benefits	20,296	-	-	-	20,296	-	-	-
915: Injuries and Damages	20,264	-	-	-	20,264	-	-	-
921: Stores Load	16,372	-	-	-	16,372	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	394,431	-	-	-	394,431	-	-	-
926: A&G Loads	96,756	-	-	-	96,756	-	-	-
928: AFUDC Debt	30,510	-	-	-	30,510	-	-	-
929: AFUDC Equity	41,275	-	-	-	41,275	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(3,146,140)	-	-	-	(3,146,140)	-	-	-
825: Closing Cost of Removal	(62,742)	-	-	-	(62,742)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **64808126** **Ojo Reactor Replacement**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	106,875
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	500,991
370: Outside Services	-	-	-	-	-	-	1,972,285
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	8,828
914: Pension and Benefits	-	-	-	-	-	-	20,296
915: Injuries and Damages	-	-	-	-	-	-	20,264
921: Stores Load	-	-	-	-	-	-	16,372
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	394,431
926: A&G Loads	-	-	-	-	-	-	96,756
928: AFUDC Debt	-	-	-	-	-	-	30,510
929: AFUDC Equity	-	-	-	-	-	-	41,275
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(3,146,140)
825: Closing Cost of Removal	-	-	-	-	-	-	(62,742)
Project Net	-	-	-	-	-	-	0

Project No: **64808522** **Tramway Substation**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information

County %	Bernalillo	100%	

Estimated Start Date 1/1/2022

Estimated Completion Date 1/31/2027

Description

Installation of a new 115kV - 12.47kV, 33.7MVA transformer and a four-feeder switchgear with a fifth position for a tie breaker at Tramway Substation. The existing Tramway Feeder 12 and Feeder 13 will be transferred to the new Unit 2 switchgear. The remaining spare feeder getaways will be installed from the old switchgear to pad-mounted enclosed (PME) switchgears on the outside of the substation wall for future feeder build out.

Project No: 64808522 Tramway Substation

Project Need Justification

This project is needed to support existing customer demand and continued growth in the Northeast Albuquerque area. Capacity at Tramway Substation is approaching its limits, reducing the ability to reliably serve customers under normal operating conditions and during outages at nearby substations.

Planning studies have identified the need for additional capacity to maintain reliable service, accommodate future growth, and improve system resilience. Installing a second transformer at Tramway Substation will provide the flexibility needed to serve customers during equipment outages and help reduce the risk of service interruptions.

While a new substation has been identified as a long-term solution for the area, adding a second transformer at Tramway Substation is the most practical near-term option to address immediate capacity needs and support continued customer growth while longer-term facilities are developed.

Project No: **64808522** **Tramway Substation**

Project Alternatives

This project is the least cost alternative because assets at this site are past their end of life and require proactive replacement. The 'Leave as is' alternative would eventually lead to equipment failures that would need to be replaced in an emergency situation which would lead to higher costs. The other alternative of replacing each piece of equipment during different scheduled outages would increase design and construction costs through multiple design and construction phases that require more ramp up/ramp down costs compared to a wholistic replacement approach.

Project No: **64808522** **Tramway Substation**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **64808522** **Tramway Substation**

Customer Benefit

The Tramway Substation upgrades will enhance customer reliability by adding transformer capacity and reducing feeder loading to recommended levels. The project strengthens system resiliency, mitigates overload risks during peak demand or neighboring substation outages, and improves PNM's ability to maintain reliable service to Metro-area customers.

Project No: **64808522 Tramway Substation**

Primary Value Driver: Customer Delivery

Compliance

Customer Delivery: The Tramway Substation upgrade improves customer reliability and system resiliency by adding transformer capacity and reducing feeder loading to recommended levels. The project mitigates overload risks during peak demand and contingency events, helping prevent outages and ensuring more reliable electric service for Metro-area customers.

Energy Transition

Project No: **64808522** **Tramway Substation**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 64808522 Tramway Substation

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **64808522** **Tramway Substation**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	334,320	-	-	-	-	-
370: Outside Services	-	1,580,281	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	10,926	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	287,190	-	-	-	-	-
926: A&G Loads	-	71,798	-	-	-	-	-
928: AFUDC Debt	-	2,491	-	-	-	-	-
929: AFUDC Equity	-	3,370	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	(2,244,685)	-	-	-	-	-
825: Closing Cost of Removal	-	(45,690)	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **64808522** **Tramway Substation**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	334,320
370: Outside Services	-	-	-	1,580,281
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	10,926
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	287,190
926: A&G Loads	-	-	-	71,798
928: AFUDC Debt	-	-	-	2,491
929: AFUDC Equity	-	-	-	3,370
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(2,244,685)
825: Closing Cost of Removal	-	-	-	(45,690)
Project Net	-	-	-	-

Project No: 64808522 Tramway Substation

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	334,320	-	-	-	334,320	-	-	-
370: Outside Services	1,580,281	-	-	-	1,580,281	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	10,926	-	-	-	10,926	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	287,190	-	-	-	287,190	-	-	-
926: A&G Loads	71,798	-	-	-	71,798	-	-	-
928: AFUDC Debt	2,491	-	-	-	2,491	-	-	-
929: AFUDC Equity	3,370	-	-	-	3,370	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(2,244,685)	-	-	-	(2,244,685)	-	-	-
825: Closing Cost of Removal	(45,690)	-	-	-	(45,690)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **64808522** **Tramway Substation**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	334,320
370: Outside Services	-	-	-	-	-	-	1,580,281
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	10,926
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	287,190
926: A&G Loads	-	-	-	-	-	-	71,798
928: AFUDC Debt	-	-	-	-	-	-	2,491
929: AFUDC Equity	-	-	-	-	-	-	3,370
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,244,685)
825: Closing Cost of Removal	-	-	-	-	-	-	(45,690)
Project Net	-	-	-	-	-	-	-

Project No: **64809026** **Progress 2 Expansion CO2**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information County % Sandoval 100%

Estimated Start Date 4/1/2026

Estimated Completion Date 12/31/2027

Description

This project is an expansion of the existing Progress Station. This will include the installation of a second unit substation and switchgear. There will also be a new 115kV breaker to sectionalize the PR Line (Rio Puerco/Pachmann) which means a control enclosure for the transmission protection, controls, and communications. This project is necessary to accommodate a new customer in the area which will be served via distribution.

PNM is obligated to serve the new customer within our service territory. The existing equipment cannot support the new load, so a station expansion is necessary. To meet the additional 10MW of service required for the customer's load, installation of a new transformer, breaker, switchgear, and control house are needed. Additionally, relay panel upgrades will be required at the existing Rio Puerco and Pachmann stations.

This project will consist of two phases:
Phase 1: Install new 115kV transformer and switchgear, in-service date (ISD) December 2026
Phase 2: Install new 115kV Breaker and complete remote end work, ISD April 2027

Project No: 64809026 Progress 2 Expansion CO2

Project Need Justification

This project is an expansion of the existing Progress station. This will include the installation of a second unit sub and switchgear. There will also be a new 115kV breaker to sectionalize the PR Line (Rio Puerco/Pachmann) which means a control enclosure for the transmission protection, controls, and communications. This project is necessary to accommodate a new customer in the area which will be served via distribution.

This project is necessary to accommodate a new customer in the area which will be served via distribution. The project will be completed in two phases. Phase I is to get the new transformer and switchgear installed, commissioned, and energized. Phase II, the 115kV breaker and remote end work will be completed. This phased approach is necessary to get the new customer energized in time (end of 2026). The 115kV breaker and remote end work can go into 2027.

Project No: **64809026** **Progress 2 Expansion CO2**

Project Alternatives	There is no viable alternative. PNM is obligated to serve the new customer within its service territory. The existing equipment at Progress Station cannot support the customer's required 10 MW load, so a station expansion is necessary.

Project No: **64809026** **Progress 2 Expansion CO2**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **64809026** **Progress 2 Expansion CO2**

Customer Benefit	The project provides the infrastructure necessary to accommodate the customer's required 10 MW load, enabling reliable service delivery and supporting economic growth and development within PNM's service territory.

Project No: **64809026** **Progress 2 Expansion CO2**

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	This project facilitates the interconnection of a new 10 MW customer load, ensuring reliable service while supporting load growth and maximizing utilization of existing utility infrastructure.
Energy Transition	

Project No: **64809026** **Progress 2 Expansion CO2**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 64809026 Progress 2 Expansion CO2

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	27,154	27,154	27,154	27,154	27,154	27,154	162,924
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	3,214,400	3,214,400
370: Outside Services	-	50,156	224,105	313,556	313,556	313,556	359,849	1,574,777
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	2,069	2,069	2,069	2,069	2,069	2,069	12,415
914: Pension and Benefits	-	5,053	5,053	5,053	5,053	5,053	5,053	30,320
915: Injuries and Damages	-	5,376	5,376	5,376	5,376	5,376	5,376	32,259
921: Stores Load	-	-	-	-	-	-	137,833	137,833
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	5,164	15,166	20,309	20,309	20,309	207,799	289,058
926: A&G Loads	-	4,020	13,065	17,717	17,717	17,717	187,273	257,509
928: AFUDC Debt	-	120	593	1,422	2,374	3,332	8,834	16,675
929: AFUDC Equity	-	128	632	1,515	2,531	3,551	9,415	17,771
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	99,240	293,214	394,172	396,140	398,119	4,165,057	5,745,941

Project No: **64809026** **Progress 2 Expansion CO2**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	162,924	27,154	27,154	27,154	27,154	5,000	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	3,214,400	-	-	-	1,038,539	-	-
370: Outside Services	1,574,777	353,799	353,799	353,799	400,092	10,000	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	12,415	2,243	2,243	2,243	2,243	413	-
914: Pension and Benefits	30,320	5,157	5,157	5,157	5,157	950	-
915: Injuries and Damages	32,259	5,148	5,148	5,148	5,148	948	-
921: Stores Load	137,833	-	-	-	33,939	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	289,058	59,025	59,025	59,025	221,750	2,597	-
926: A&G Loads	257,509	14,286	14,286	14,286	54,967	563	-
928: AFUDC Debt	16,675	13,041	14,127	15,219	17,758	19,824	-
929: AFUDC Equity	17,771	17,642	19,111	20,588	24,024	26,819	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	(8,965,559)	-
825: Closing Cost of Removal	-	-	-	-	-	(178,428)	-
Project Net	5,745,941	497,494	500,050	502,619	1,830,771	(9,076,875)	-

Project No: **64809026** **Progress 2 Expansion CO2**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	276,540
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	4,252,939
370: Outside Services	-	-	-	3,046,266
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	21,799
914: Pension and Benefits	-	-	-	51,896
915: Injuries and Damages	-	-	-	53,801
921: Stores Load	-	-	-	171,773
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	690,480
926: A&G Loads	-	-	-	355,896
928: AFUDC Debt	-	-	-	96,643
929: AFUDC Equity	-	-	-	125,955
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(8,965,559)
825: Closing Cost of Removal	-	-	-	(178,428)
Project Net	-	-	-	0

Project No: 64809026 Progress 2 Expansion CO2

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	276,540	-	-	-	276,540	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	4,252,939	-	-	-	4,252,939	-	-	-
370: Outside Services	3,046,266	-	-	-	3,046,266	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	21,799	-	-	-	21,799	-	-	-
914: Pension and Benefits	51,896	-	-	-	51,896	-	-	-
915: Injuries and Damages	53,801	-	-	-	53,801	-	-	-
921: Stores Load	171,773	-	-	-	171,773	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	690,480	-	-	-	690,480	-	-	-
926: A&G Loads	355,896	-	-	-	355,896	-	-	-
928: AFUDC Debt	96,643	-	-	-	96,643	-	-	-
929: AFUDC Equity	125,955	-	-	-	125,955	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(8,965,559)	-	-	-	(8,965,559)	-	-	-
825: Closing Cost of Removal	(178,428)	-	-	-	(178,428)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **64809026** **Progress 2 Expansion CO2**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	276,540
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	4,252,939
370: Outside Services	-	-	-	-	-	-	3,046,266
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	21,799
914: Pension and Benefits	-	-	-	-	-	-	51,896
915: Injuries and Damages	-	-	-	-	-	-	53,801
921: Stores Load	-	-	-	-	-	-	171,773
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	690,480
926: A&G Loads	-	-	-	-	-	-	355,896
928: AFUDC Debt	-	-	-	-	-	-	96,643
929: AFUDC Equity	-	-	-	-	-	-	125,955
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(8,965,559)
825: Closing Cost of Removal	-	-	-	-	-	-	(178,428)
Project Net	-	-	-	-	-	-	0

Project No: **64809324** **Zia and MD1 Control House Replcmt**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information

County %		
	Santa Fe	50%
	Grant	50%

Estimated Start Date 6/1/2025

Estimated Completion Date 12/31/2030

Description

Public Service Company of New Mexico (PNM) is working to replace one small control house at their Zia Station facility located in Santa Fe, New Mexico, and another small control house at Mining District 1 (MD1) with a larger, updated control house and battery building. A larger replacement will facilitate a gradual cut over from the existing control house to the new house, simplify engineering efforts, and lower risk of unexpected outages. The existing control house has been in service past it's life expectancy and should be replaced.

Project No: 64809324 Zia and MD1 Control House Replcmt

Project Need Justification

Public Service Company of New Mexico (PNM) is working to replace one small control house at their Zia 46kV Switching Station facility located in Santa Fe New Mexico, and one small control house at their MD1 Switching Station with an updated control house and battery building. Following a series of significant reliability events, PNM embarked on a systematic, system-wide relay replacement project intended to standardize and modernize its protection system. To that end, PNM has pursued this work on a risk-prioritized basis to ensure relay replacements are done in the areas that required the most urgent attention. The existing control houses do not allow for this additional space requiring a new replacement control house.

In order to replace this existing small control building with a new larger control building, an evaluation of future buildout needs and the existing system needs must be taken in account. PNM has documented the projected worst-case future buildout station design with a station layout.

Project No: **64809324 Zia and MD1 Control House Replcmt**

Project Alternatives

Deferring control house upgrades until significant deterioration or failure occurs would increase the likelihood of unplanned outages, equipment damage, and emergency replacement costs. Emergency repairs are typically more costly and disruptive than planned upgrades and may negatively impact system reliability and operational flexibility. This reactive approach increases risk to critical substation operations and customer service.

Project No: **64809324** **Zia and MD1 Control House Replcmt**

Project Estimate Approach	The estimate for this project was developed by evaluating the costs of similar projects, inclusive of equipment and labor. Projects used include a similar control enclosure replacement at Bisti Substation.

Project No: **64809324 Zia and MD1 Control House Replcmt**

Customer Benefit	Upgrading substation control houses provides customers with improved electric service reliability by ensuring that critical protection, control, communication, and monitoring equipment operates in a secure and properly maintained environment. Modernized control houses help reduce the risk of equipment failures caused by aging facilities, environmental conditions, or physical deterioration, supporting the continued safe and dependable operation of the electric grid.

Project No: **64809324 Zia and MD1 Control House Replcmt**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **64809324** **Zia and MD1 Control House Replcmt**

General Services

Reliability & Resiliency

By modernizing control house infrastructure, PNM can better accommodate future system upgrades, enhance operational flexibility, improve personnel safety, and ensure compliance with current engineering and equipment standards. The investment preserves the integrity of critical substation assets and supports reliable electric service for customers.

Safety & Security

Technology Advancements

Project No: 64809324 Zia and MD1 Control House Replcmt

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	180	-	-	-	-	-	-	180
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,100,728	-	518,529	806,601	794,036	25,000	-	3,244,894
370: Outside Services	509,527	75,000	285,000	779,368	611,763	611,763	524,178	3,396,599
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	7	-	-	-	-	-	-	7
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	14	-	-	-	-	-	-	14
914: Pension and Benefits	33	-	-	-	-	-	-	33
915: Injuries and Damages	36	-	-	-	-	-	-	36
921: Stores Load	4,490	-	22,235	34,587	34,048	1,072	-	96,432
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	66,093	4,313	46,203	91,193	80,833	36,614	30,140	355,389
926: A&G Loads	73,687	3,900	41,784	82,470	73,102	33,112	27,257	335,312
928: AFUDC Debt	32,057	4,433	5,661	8,963	13,103	15,951	17,590	97,758
929: AFUDC Equity	24,133	4,725	6,033	9,552	13,965	17,000	18,747	94,154
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(7,452,973)	(7,452,973)
825: Closing Cost of Removal	-	-	-	-	-	-	(167,835)	(167,835)
Project Net	1,810,985	92,371	925,444	1,812,734	1,620,850	740,512	(7,002,895)	-

Project No: **64809324** **Zia and MD1 Control House Replcmt**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	180	32,556	32,556	32,556	32,556	32,556	32,556
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	3,244,894	93,187	93,187	93,187	93,187	93,187	93,187
370: Outside Services	3,396,599	109,564	109,564	109,564	109,564	109,564	109,564
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	7	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	14	2,689	2,689	2,689	2,689	2,689	2,689
914: Pension and Benefits	33	6,182	6,182	6,182	6,182	6,182	6,182
915: Injuries and Damages	36	6,173	6,173	6,173	6,173	6,173	6,173
921: Stores Load	96,432	3,045	3,045	3,045	3,045	3,045	3,045
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	355,389	37,553	37,553	37,553	37,553	37,553	37,553
926: A&G Loads	335,312	8,824	8,824	8,824	8,824	8,824	8,824
928: AFUDC Debt	97,758	327	982	1,641	2,303	2,969	3,638
929: AFUDC Equity	94,154	442	1,329	2,220	3,116	4,017	4,922
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(7,452,973)	-	-	-	-	-	-
825: Closing Cost of Removal	(167,835)	-	-	-	-	-	-
Project Net	-	300,542	302,084	303,634	305,193	306,759	308,334

Project No: **64809324** **Zia and MD1 Control House Replcmt**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	32,556	32,556	32,556	293,184
120: Overtime-General	-	-	-	-
350: Material Issues-Major	93,187	93,187	93,187	4,083,577
370: Outside Services	109,564	109,564	109,564	4,382,675
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	7
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	2,689	2,689	2,689	24,216
914: Pension and Benefits	6,182	6,182	6,182	55,674
915: Injuries and Damages	6,173	6,173	6,173	55,589
921: Stores Load	3,045	3,045	3,045	123,840
922: Minor Material Load	-	-	-	-
925: E&S Loads	37,553	37,553	37,553	693,363
926: A&G Loads	8,824	8,824	8,824	414,728
928: AFUDC Debt	4,311	4,987	5,667	124,585
929: AFUDC Equity	5,832	6,747	7,667	130,447
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(7,452,973)
825: Closing Cost of Removal	-	-	-	(167,835)
Project Net	309,917	311,508	313,107	2,761,079

Project No: 64809324 Zia and MD1 Control House Replcmt

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	293,184	32,556	32,556	32,556	390,852	19,861	19,861	19,861
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	4,083,577	93,187	93,187	93,187	4,363,138	81,538	81,538	81,538
370: Outside Services	4,382,675	109,564	109,564	109,564	4,711,367	130,430	130,430	130,430
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	7	-	-	-	7	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	24,216	2,689	2,689	2,689	32,283	1,641	1,641	1,641
914: Pension and Benefits	55,674	6,182	6,182	6,182	74,222	3,772	3,772	3,772
915: Injuries and Damages	55,589	6,173	6,173	6,173	74,107	3,766	3,766	3,766
921: Stores Load	123,840	3,045	3,045	3,045	132,976	2,665	2,665	2,665
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	693,363	37,553	37,553	37,553	806,021	36,151	36,151	36,151
926: A&G Loads	414,728	8,824	8,824	8,824	441,200	8,137	8,137	8,137
928: AFUDC Debt	124,585	6,351	7,038	7,728	145,702	8,244	8,906	9,572
929: AFUDC Equity	130,447	8,591	9,521	10,455	159,015	13,007	14,052	15,102
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(7,452,973)	-	-	-	(7,452,973)	-	-	-
825: Closing Cost of Removal	(167,835)	-	-	-	(167,835)	-	-	-
Project Net	2,761,079	314,715	316,332	317,956	3,710,082	309,212	310,918	312,634

Project No: **64809324** **Zia and MD1 Control House Replcmt**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	19,861	19,861	19,861	19,861	19,861	19,861	569,601
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	81,538	81,538	81,538	81,538	81,538	81,538	5,096,980
370: Outside Services	130,430	130,430	130,430	130,430	130,430	130,430	5,885,237
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	7
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,641	1,641	1,641	1,641	1,641	1,641	47,048
914: Pension and Benefits	3,772	3,772	3,772	3,772	3,772	3,772	108,166
915: Injuries and Damages	3,766	3,766	3,766	3,766	3,766	3,766	107,998
921: Stores Load	2,665	2,665	2,665	2,665	2,665	2,665	156,958
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	36,151	36,151	36,151	36,151	36,151	36,151	1,131,381
926: A&G Loads	8,137	8,137	8,137	8,137	8,137	8,137	514,435
928: AFUDC Debt	10,242	10,915	11,592	12,273	12,957	13,646	244,049
929: AFUDC Equity	16,158	17,220	18,289	19,363	20,443	21,529	314,178
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(7,452,973)
825: Closing Cost of Removal	-	-	-	-	-	-	(167,835)
Project Net	314,360	316,095	317,840	319,595	321,360	323,135	6,555,229

Project No: **64809527** **Transmission HFA Relay Replace 2027**

Company: 002 Transmission Services
Location: 648 Transmission General 2

Project Information County % Total System 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

Description

The Transmission High Fire Risk Area (HFA) Relay Replacement Program is intended to replace relays on transmission lines that run through HFAs. This project will replace aging relays with modern relay technology that provides enhanced protection, monitoring, communications, and event recording capabilities. The upgraded relays are expected to improve system reliability, reduce maintenance challenges associated with obsolete equipment, and support faster identification and isolation of system faults. By improving fault detection and protection system performance, the project will help reduce the risk of utility equipment contributing to wildfire ignition while enhancing the safety and resiliency of the transmission system.

Project No: 64809527 Transmission HFA Relay Replace 2027

Project Need Justification	The existing Transmission HFA relays are obsolete and lack the functionality of modern protective relays. Replacing them will improve fault detection, monitoring, communications, and event analysis capabilities. The upgraded relays will also support wildfire mitigation efforts by enabling faster and more effective identification and isolation of fault conditions that could contribute to wildfire ignition.

Project No: **64809527** **Transmission HFA Relay Replace 2027**

Project Alternatives	The alternative would be to do nothing and leave the relays as is. However, this would not support PNM's effort to find options to reduce wildfire risk - especially in Hire Fire Risk Areas.

Project No: **64809527 Transmission HFA Relay Replace 2027**

Project Estimate Approach	A combination of existing project costs and spending utilizing contractors for the replacement of all equipment was used. A small amount of contingency was allocated for unknown variations that could occur. Resources are allocated based on risk assessments, and project schedules and in-service dates (ISDs) are adjusted to reflect the capital budget allocated for the specific task.

Project No: **64809527 Transmission HFA Relay Replace 2027**

Customer Benefit	This project improves customer safety and service reliability by modernizing critical transmission protection equipment. The upgraded relays support wildfire mitigation objectives, reduce the risk of equipment-related outages, and enhance the resilience of the electric grid that serves PNM customers.

Project No: **64809527** **Transmission HFA Relay Replace 2027**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

Project No: **64809527** **Transmission HFA Relay Replace 2027**

General Services

Reliability & Resiliency

This project enhances transmission system reliability and resiliency by replacing obsolete protection relays with modern technology that provides improved fault detection, isolation, monitoring, and diagnostics. The upgrades reduce the risk of protection system failures and support continued reliable operation of the electric grid.

Safety & Security

This project supports safety and wildfire mitigation objectives by replacing obsolete relays with modern protection technology that enables faster and more reliable fault detection and isolation. The upgrades reduce the risk of equipment-related incidents, improve system monitoring capabilities, and enhance the safe operation of the transmission system.

Technology Advancements

This project advances PNM's protection system technology by replacing obsolete relays with modern microprocessor-based devices that provide enhanced protection, monitoring, communications, diagnostics, and event analysis capabilities. The upgrades improve operational efficiency and support future grid modernization efforts.

Project No: 64809527 Transmission HFA Relay Replace 2027

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **64809527** **Transmission HFA Relay Replace 2027**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	88,878	88,878	88,878	88,878	88,878	88,878
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	266,635	266,635	266,635	266,635	266,635	266,635
370: Outside Services	-	533,270	533,270	533,270	533,270	533,270	533,270
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	7,341	7,341	7,341	7,341	7,341	7,341
914: Pension and Benefits	-	16,878	16,878	16,878	16,878	16,878	16,878
915: Injuries and Damages	-	16,851	16,851	16,851	16,851	16,851	16,851
921: Stores Load	-	8,714	8,714	8,714	8,714	8,714	8,714
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	139,478	139,478	139,478	139,478	139,478	139,478
926: A&G Loads	-	33,329	33,329	33,329	33,329	33,329	33,329
928: AFUDC Debt	-	1,212	3,642	6,084	8,540	11,008	13,489
929: AFUDC Equity	-	1,639	4,927	8,231	11,553	14,892	18,249
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	1,114,226	1,119,943	1,125,690	1,131,467	1,137,274	1,143,112

Project No: **64809527** **Transmission HFA Relay Replace 2027**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	88,878	88,878	88,878	799,902
120: Overtime-General	-	-	-	-
350: Material Issues-Major	266,635	266,635	266,635	2,399,715
370: Outside Services	533,270	533,270	533,270	4,799,430
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	7,341	7,341	7,341	66,072
914: Pension and Benefits	16,878	16,878	16,878	151,901
915: Injuries and Damages	16,851	16,851	16,851	151,661
921: Stores Load	8,714	8,714	8,714	78,423
922: Minor Material Load	-	-	-	-
925: E&S Loads	139,478	139,478	139,478	1,255,302
926: A&G Loads	33,329	33,329	33,329	299,964
928: AFUDC Debt	15,983	18,491	21,011	99,459
929: AFUDC Equity	21,623	25,015	28,424	134,552
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	1,148,981	1,154,880	1,160,810	10,236,382

Project No: 64809527 Transmission HFA Relay Replace 2027

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	799,902	88,878	88,878	88,878	1,066,536	65,055	65,055	65,055
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	2,399,715	266,635	266,635	266,635	3,199,620	195,166	195,166	195,166
370: Outside Services	4,799,430	533,270	533,270	533,270	6,399,240	390,326	390,326	390,326
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	66,072	7,341	7,341	7,341	88,096	5,374	5,374	5,374
914: Pension and Benefits	151,901	16,878	16,878	16,878	202,535	12,354	12,354	12,354
915: Injuries and Damages	151,661	16,851	16,851	16,851	202,215	12,334	12,334	12,334
921: Stores Load	78,423	8,714	8,714	8,714	104,564	6,378	6,378	6,378
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,255,302	139,478	139,478	139,478	1,673,736	102,091	102,091	102,091
926: A&G Loads	299,964	33,329	33,329	33,329	399,952	22,834	22,834	22,834
928: AFUDC Debt	99,459	23,544	26,091	28,651	177,746	26,495	28,380	18,933
929: AFUDC Equity	134,552	31,852	35,297	38,761	240,462	41,801	44,775	29,871
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(1,740,713)	(1,740,713)	-	(5,199,125)	-
825: Closing Cost of Removal	-	-	-	(34,423)	(34,423)	-	(102,124)	-
Project Net	10,236,382	1,166,771	1,172,763	(596,349)	11,979,567	880,208	(4,416,182)	860,716

Project No: **64809527** **Transmission HFA Relay Replace 2027**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	65,055	65,055	65,055	65,055	65,055	65,055	1,652,031
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	195,166	195,166	195,166	195,166	195,166	195,166	4,956,114
370: Outside Services	390,326	390,326	390,326	390,326	390,326	390,326	9,912,174
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	5,374	5,374	5,374	5,374	5,374	5,374	136,458
914: Pension and Benefits	12,354	12,354	12,354	12,354	12,354	12,354	313,721
915: Injuries and Damages	12,334	12,334	12,334	12,334	12,334	12,334	313,225
921: Stores Load	6,378	6,378	6,378	6,378	6,378	6,378	161,966
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	102,091	102,091	102,091	102,091	102,091	102,091	2,592,558
926: A&G Loads	22,834	22,834	22,834	22,834	22,834	22,834	605,460
928: AFUDC Debt	20,775	22,628	24,491	26,364	28,248	26,125	400,185
929: AFUDC Equity	32,777	35,700	38,639	41,595	44,568	41,218	591,405
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(1,841,770)	(3,710,054)	(12,491,662)
825: Closing Cost of Removal	-	-	-	-	(35,696)	(71,760)	(244,003)
Project Net	865,465	870,240	875,043	879,872	(992,737)	(2,902,559)	8,899,632

Project No: 65006110 ANPP Transmission blanket

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

Estimated Start Date 10/9/2008

Estimated Completion Date 12/31/2032

County %		
	Catron	25%
	Cibola	25%
	McKinley	25%
	San Juan	25%

Description

PNM's participation in the Arizona Nuclear Power Project (ANPP), includes the transmission path (stations and lines) for PNM to access its share of the output from the generation facility. PNM is contractually obligated to share in the funding of the capital improvements/replacements associated with these facilities. These capital improvements/ replacements typically include costs for Salt River Project (SRP) internal labor, external contract labor, equipment and materials associated with the replacement of failed equipment such as transformers, improvements to satisfy new regulatory requirements (e.g., installing card readers to control access to certain facilities for enhanced security), or improvements that improve reliability and/or safety conditions.

Project No: **65006110 ANPP Transmission blanket**

Project Need Justification

As a participant in ANPP, PNM has capacity rights in certain switching stations and transmission lines that represent the contractual path. The Engineering and Operating (E&O) committee considers the effect of specific proposals against the overall performance of the connected system. Capital improvements might involve any aspect of that path, and could include transmission structure replacement for improved clearances or breaker replacement at a station to obtain improved fault ratings.

Project No: **65006110 ANPP Transmission blanket**

Project Alternatives

As a member of the ANPP E&O committee, PNM meets regularly with the Operating Partner, SRP. SRP provides recommendations for capital projects and related cost estimates/schedules. PNM, along with other project participants, reviews, on a case-by-case basis, the need and timing as well as the estimated cost prior to project commitment.

Project No: **65006110 ANPP Transmission blanket**

Project Estimate Approach	SRP and Arizona Public Service Company are owners and operators of the ANPP. The ANPP operators typically provide budget estimates to the other owners that include both O&M and capital work. These budgets are composed of many projects needed to support the many 500kV and 230kv switchyard and transmission line projects that make up the ANPP Valley Transmission System. PNM utilize these budgets, if they are delivered in time for PNM's budget cycle, to inform the ANPP budgets. If not delivered in time, PNM utilizes prior year actuals to forecast these budget estimates.

Project No: **65006110 ANPP Transmission blanket**

Customer Benefit	Customer benefits are realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's transmission assets.

Project No: **65006110 ANPP Transmission blanket**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65006110** **ANPP Transmission blanket**

General Services

Reliability & Resiliency

PNM is contractually obligated to share in the funding of the capital improvements/replacements associated with ANPP facilities. These improvements/replacements ensure reliable access to the generation output.

Safety & Security

Technology Advancements

Project No: 65006110 ANPP Transmission blanket

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	73,978	-	-	-	-	-	-	73,978
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	273,656	-	-	-	-	-	-	273,656
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	11,593	-	-	-	-	-	-	11,593
391: Jt Proj Bill to PNM -N Lab	8,409,934	347,188	347,188	347,188	347,188	347,188	347,188	10,493,062
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	(607)	-	-	-	-	-	-	(607)
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	172,354	-	-	-	-	-	-	172,354
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	5,458	-	-	-	-	-	-	5,458
914: Pension and Benefits	18,931	-	-	-	-	-	-	18,931
915: Injuries and Damages	5,351	-	-	-	-	-	-	5,351
921: Stores Load	1,887	-	-	-	-	-	-	1,887
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	19,963	19,963	19,963	19,963	19,963	19,963	119,780
926: A&G Loads	71,892	2,847	2,847	2,847	2,847	2,847	2,847	88,973
928: AFUDC Debt	245,748	7,328	8,259	9,196	10,137	11,083	12,034	303,786
929: AFUDC Equity	269,400	7,810	8,803	9,801	10,804	11,812	12,825	331,253
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(6,094,988)	-	-	-	-	-	(5,085,618)	(11,180,606)
825: Closing Cost of Removal	(658,008)	-	-	-	-	-	(60,841)	(718,849)
Project Net	2,806,579	385,136	387,060	388,995	390,939	392,893	(4,751,602)	0

Project No: **65006110** **ANPP Transmission blanket**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	73,978	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	273,656	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	11,593	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	10,493,062	197,864	197,864	197,864	197,864	197,864	197,864
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	(607)	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	172,354	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	5,458	-	-	-	-	-	-
914: Pension and Benefits	18,931	-	-	-	-	-	-
915: Injuries and Damages	5,351	-	-	-	-	-	-
921: Stores Load	1,887	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	119,780	29,680	29,680	29,680	29,680	29,680	29,680
926: A&G Loads	88,973	1,622	1,622	1,622	1,622	1,622	1,622
928: AFUDC Debt	303,786	250	751	1,255	1,761	2,270	2,781
929: AFUDC Equity	331,253	338	1,016	1,697	2,382	3,071	3,763
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(11,180,606)	-	-	-	-	-	-
825: Closing Cost of Removal	(718,849)	-	-	-	-	-	-
Project Net	0	229,754	230,933	232,118	233,309	234,507	235,710

Project No: 65006110 ANPP Transmission blanket

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	73,978
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	-	-	-	273,656
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	11,593
391: Jt Proj Bill to PNM -N Lab	197,864	197,864	197,864	12,273,838
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	(607)
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	172,354
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	5,458
914: Pension and Benefits	-	-	-	18,931
915: Injuries and Damages	-	-	-	5,351
921: Stores Load	-	-	-	1,887
922: Minor Material Load	-	-	-	-
925: E&S Loads	29,680	29,680	29,680	386,896
926: A&G Loads	1,622	1,622	1,622	103,576
928: AFUDC Debt	3,296	3,813	4,332	324,294
929: AFUDC Equity	4,459	5,158	5,861	358,998
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(11,180,606)
825: Closing Cost of Removal	-	-	-	(718,849)
Project Net	236,920	238,137	239,360	2,110,748

Project No: 65006110 ANPP Transmission blanket

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	73,978	-	-	-	73,978	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	273,656	-	-	-	273,656	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	11,593	-	-	-	11,593	-	-	-
391: Jt Proj Bill to PNM -N Lab	12,273,838	197,864	197,864	197,864	12,867,430	74,149	74,149	74,149
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	(607)	-	-	-	(607)	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	172,354	-	-	-	172,354	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	5,458	-	-	-	5,458	-	-	-
914: Pension and Benefits	18,931	-	-	-	18,931	-	-	-
915: Injuries and Damages	5,351	-	-	-	5,351	-	-	-
921: Stores Load	1,887	-	-	-	1,887	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	386,896	29,680	29,680	29,680	475,935	11,122	11,122	11,122
926: A&G Loads	103,576	1,622	1,622	1,622	108,443	608	608	608
928: AFUDC Debt	324,294	4,855	5,380	5,908	340,437	92	276	461
929: AFUDC Equity	358,998	6,568	7,278	7,992	380,837	145	435	727
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(11,180,606)	-	-	(2,781,228)	(13,961,834)	-	-	-
825: Closing Cost of Removal	(718,849)	-	-	(55,000)	(773,848)	-	-	-
Project Net	2,110,748	240,589	241,824	(2,593,161)	0	86,116	86,591	87,068

Project No: **65006110** **ANPP Transmission blanket**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	73,978
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	273,656
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	11,593
391: Jt Proj Bill to PNM -N Lab	74,149	74,149	74,149	74,149	74,149	74,149	13,534,771
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	(607)
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	172,354
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	5,458
914: Pension and Benefits	-	-	-	-	-	-	18,931
915: Injuries and Damages	-	-	-	-	-	-	5,351
921: Stores Load	-	-	-	-	-	-	1,887
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	11,122	11,122	11,122	11,122	11,122	11,122	576,036
926: A&G Loads	608	608	608	608	608	608	113,915
928: AFUDC Debt	647	835	1,023	1,212	1,403	1,594	347,979
929: AFUDC Equity	1,021	1,317	1,614	1,912	2,213	2,515	392,736
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(13,961,834)
825: Closing Cost of Removal	-	-	-	-	-	-	(773,848)
Project Net	87,548	88,030	88,516	89,004	89,495	89,988	792,356

Project No: 65006210 SW NM Transmission Blanket

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

Estimated Start Date 10/9/2008

Estimated Completion Date 12/31/2032

County %		
	Hidalgo	25%
	Grant	25%
	Luna	25%
	Dona Ana	25%

Description

The purpose of this project is to fund ongoing capital projects at jointly-owned facilities with El Paso Electric and Tucson Electric Power. One utility is the primary operator of the facilities, and capital expenditures at those facilities are coordinated with all owners using the joint owner Capital Budget Items (CBI) process. Examples include but are not limited to breaker replacements, t-line upgrades, replace disconnect switches, etc.

Project No: **65006210** **SW NM Transmission Blanket**

Project Need Justification

The facilities in question are jointly owned with El Paso Electric and Tucson Electric Power. PNM is required to contribute to any ongoing capital projects. Additionally, should any aging and functionally obsolete component fail, system reliability for PNM customers can be compromised.

Project No: **65006210 SW NM Transmission Blanket**

Project Alternatives	There are currently no alternatives to this project. No alternatives were considered because PNM is required to contribute to the funding of these projects per its ownership status.

Project No: **65006210** **SW NM Transmission Blanket**

Project Estimate Approach	The cost estimates for these projects are developed by evaluating information provided from the operating utilities, as well as traditional annual spend rates.

Project No: **65006210 SW NM Transmission Blanket**

Customer Benefit	Ensuring that portions of PNM jointly-owned facilities are replaced/upgraded as needed drives reliability of these facilities. Customers directly benefit from this system reliability.

Project No: **65006210** **SW NM Transmission Blanket**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65006210** **SW NM Transmission Blanket**

General Services

Reliability & Resiliency

Ensuring that portions of PNM jointly-owned facilities are replaced/upgraded as needed drives reliability of these facilities.

Safety & Security

Technology Advancements

Project No: 65006210 SW NM Transmission Blanket

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	167,894	-	-	-	-	-	-	167,894
120: Overtime-General	78,703	-	-	-	-	-	-	78,703
350: Material Issues-Major	267,193	-	-	-	-	-	-	267,193
370: Outside Services	2,354,398	-	-	-	-	-	-	2,354,398
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	14,265,585	347,188	347,188	347,188	347,188	347,188	347,188	16,348,713
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	259,720	-	-	-	-	-	-	259,720
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	18,959	-	-	-	-	-	-	18,959
914: Pension and Benefits	62,793	-	-	-	-	-	-	62,793
915: Injuries and Damages	18,568	-	-	-	-	-	-	18,568
921: Stores Load	8,802	-	-	-	-	-	-	8,802
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	(40,643)	19,963	19,963	19,963	19,963	19,963	19,963	79,136
926: A&G Loads	143,186	2,847	2,847	2,847	2,847	2,847	2,847	160,268
928: AFUDC Debt	346,600	10,012	10,958	11,908	12,863	13,823	14,788	420,951
929: AFUDC Equity	395,915	10,671	11,678	12,691	13,709	14,732	15,760	475,155
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(13,552,456)	-	-	-	-	-	(6,207,167)	(19,759,623)
825: Closing Cost of Removal	(683,687)	-	-	-	-	-	(277,945)	(961,632)
Project Net	4,111,530	390,681	392,634	394,597	396,570	398,553	(6,084,566)	-

Project No: 65006210 SW NM Transmission Blanket

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	167,894	-	-	-	-	-	-
120: Overtime-General	78,703	-	-	-	-	-	-
350: Material Issues-Major	267,193	-	-	-	-	-	-
370: Outside Services	2,354,398	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	16,348,713	199,909	199,909	199,909	199,909	199,909	199,909
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	259,720	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	18,959	-	-	-	-	-	-
914: Pension and Benefits	62,793	-	-	-	-	-	-
915: Injuries and Damages	18,568	-	-	-	-	-	-
921: Stores Load	8,802	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	79,136	29,986	29,986	29,986	29,986	29,986	29,986
926: A&G Loads	160,268	1,639	1,639	1,639	1,639	1,639	1,639
928: AFUDC Debt	420,951	252	759	1,268	1,779	2,293	2,810
929: AFUDC Equity	475,155	342	1,026	1,715	2,407	3,102	3,802
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(19,759,623)	-	-	-	-	-	-
825: Closing Cost of Removal	(961,632)	-	-	-	-	-	-
Project Net	-	232,129	233,320	234,517	235,721	236,930	238,147

Project No: **65006210** **SW NM Transmission Blanket**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	167,894
120: Overtime-General	-	-	-	78,703
350: Material Issues-Major	-	-	-	267,193
370: Outside Services	-	-	-	2,354,398
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	199,909	199,909	199,909	18,147,894
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	259,720
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	18,959
914: Pension and Benefits	-	-	-	62,793
915: Injuries and Damages	-	-	-	18,568
921: Stores Load	-	-	-	8,802
922: Minor Material Load	-	-	-	-
925: E&S Loads	29,986	29,986	29,986	349,014
926: A&G Loads	1,639	1,639	1,639	175,021
928: AFUDC Debt	3,330	3,852	4,377	441,672
929: AFUDC Equity	4,505	5,211	5,922	503,187
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(19,759,623)
825: Closing Cost of Removal	-	-	-	(961,632)
Project Net	239,369	240,598	241,834	2,132,563

Project No: 65006210 SW NM Transmission Blanket

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	167,894	-	-	-	167,894	-	-	-
120: Overtime-General	78,703	-	-	-	78,703	-	-	-
350: Material Issues-Major	267,193	-	-	-	267,193	-	-	-
370: Outside Services	2,354,398	-	-	-	2,354,398	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	18,147,894	199,909	199,909	199,909	18,747,621	76,278	76,278	76,278
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	259,720	-	-	-	259,720	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	18,959	-	-	-	18,959	-	-	-
914: Pension and Benefits	62,793	-	-	-	62,793	-	-	-
915: Injuries and Damages	18,568	-	-	-	18,568	-	-	-
921: Stores Load	8,802	-	-	-	8,802	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	349,014	29,986	29,986	29,986	438,973	11,442	11,442	11,442
926: A&G Loads	175,021	1,639	1,639	1,639	179,939	625	625	625
928: AFUDC Debt	441,672	4,905	5,436	5,969	457,981	94	284	474
929: AFUDC Equity	503,187	6,636	7,354	8,075	525,251	149	448	748
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(19,759,623)	-	-	(2,809,973)	(22,569,595)	-	-	-
825: Closing Cost of Removal	(961,632)	-	-	(55,568)	(1,017,200)	-	-	-
Project Net	2,132,563	243,075	244,324	(2,619,963)	(0)	88,589	89,077	89,568

Project No: **65006210** **SW NM Transmission Blanket**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	167,894
120: Overtime-General	-	-	-	-	-	-	78,703
350: Material Issues-Major	-	-	-	-	-	-	267,193
370: Outside Services	-	-	-	-	-	-	2,354,398
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	76,278	76,278	76,278	76,278	76,278	76,278	19,434,123
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	259,720
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	18,959
914: Pension and Benefits	-	-	-	-	-	-	62,793
915: Injuries and Damages	-	-	-	-	-	-	18,568
921: Stores Load	-	-	-	-	-	-	8,802
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	11,442	11,442	11,442	11,442	11,442	11,442	541,948
926: A&G Loads	625	625	625	625	625	625	185,568
928: AFUDC Debt	666	858	1,052	1,247	1,443	1,640	465,740
929: AFUDC Equity	1,051	1,354	1,660	1,967	2,276	2,587	537,492
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(22,569,595)
825: Closing Cost of Removal	-	-	-	-	-	-	(1,017,200)
Project Net	90,062	90,558	91,057	91,559	92,064	92,572	815,106

Project No: **65007047** **WM 115kV Trans**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 10/6/2022

Estimated Completion Date 10/31/2026

Description

The project involves replacing the aging 115kV control enclosure at the West Mesa Switching Station facility located in Albuquerque, with a larger and more modern control enclosure, relays, wiring and battery building.

Project No: **65007047** **WM 115kV Trans**

Project Need Justification

The proactive approach of replacing aging infrastructure will increase system reliability and reduce the risk of increased costs and potential system interruption caused by major equipment failure.

Project No: **65007047** **WM 115kV Trans**

Project Alternatives

The only alternative is to do nothing. This option was not selected as running the existing equipment to failure increases the risk of damage to other equipment that could impact reliability and creates a safety hazard for PNM personnel.

In order to replace the existing 115kV control enclosure with a larger control enclosure, an evaluation of future buildout needs, and the existing system needs were taken into account. PNM has documented the projected future buildout station design per the one-line diagram.

Project No: **65007047** **WM 115kV Trans**

Project Estimate Approach	The estimate was completed as a unit estimate based on recent costs for similar equipment and estimated internal labor hours for design and construction.

Project No: **65007047** **WM 115kV Trans**

Customer Benefit	The proactive approach of replacing aging infrastructure will increase system reliability and reduce the risk of increased costs and potential system interruption caused by major equipment failure.

Project No: **65007047** **WM 115kV Trans**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65007047** **WM 115kV Trans**

General Services

Reliability & Resiliency

The proactive approach of replacing aging infrastructure will increase system reliability and reduce the risk of increased costs and potential system interruption caused by major equipment failure.

Safety & Security

Technology Advancements

Project No: 65007047 WM 115kV Trans

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	196,911	9,287	-	-	-	-	-	206,198
120: Overtime-General	12,767	-	-	-	-	-	-	12,767
350: Material Issues-Major	5,067,513	-	-	-	-	-	-	5,067,513
370: Outside Services	3,121,972	103,907	-	-	-	-	-	3,225,879
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	3,241	-	-	-	-	-	-	3,241
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	55,546	-	-	-	-	-	-	55,546
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	16,450	708	-	-	-	-	-	17,158
914: Pension and Benefits	39,261	1,728	-	-	-	-	-	40,989
915: Injuries and Damages	36,506	1,839	-	-	-	-	-	38,345
921: Stores Load	28,151	-	-	-	-	-	-	28,151
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	501,678	6,754	-	-	-	-	-	508,432
926: A&G Loads	356,427	5,886	-	-	-	-	-	362,313
928: AFUDC Debt	181,002	1,175	1,338	-	-	-	-	183,515
929: AFUDC Equity	190,452	1,252	1,426	-	-	-	-	193,130
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(9,395,227)	-	(545,386)	-	-	-	-	(9,940,613)
825: Closing Cost of Removal	-	-	(2,563)	-	-	-	-	(2,563)
Project Net	412,648	132,537	(545,185)	-	-	-	-	0

Project No: **65007047** **WM 115kV Trans**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	206,198	-	-	-	-	-	-
120: Overtime-General	12,767	-	-	-	-	-	-
350: Material Issues-Major	5,067,513	-	-	-	-	-	-
370: Outside Services	3,225,879	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	3,241	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	55,546	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	17,158	-	-	-	-	-	-
914: Pension and Benefits	40,989	-	-	-	-	-	-
915: Injuries and Damages	38,345	-	-	-	-	-	-
921: Stores Load	28,151	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	508,432	-	-	-	-	-	-
926: A&G Loads	362,313	-	-	-	-	-	-
928: AFUDC Debt	183,515	-	-	-	-	-	-
929: AFUDC Equity	193,130	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(9,940,613)	-	-	-	-	-	-
825: Closing Cost of Removal	(2,563)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **65007047** **WM 115kV Trans**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	206,198
120: Overtime-General	-	-	-	12,767
350: Material Issues-Major	-	-	-	5,067,513
370: Outside Services	-	-	-	3,225,879
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	3,241
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	55,546
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	17,158
914: Pension and Benefits	-	-	-	40,989
915: Injuries and Damages	-	-	-	38,345
921: Stores Load	-	-	-	28,151
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	508,432
926: A&G Loads	-	-	-	362,313
928: AFUDC Debt	-	-	-	183,515
929: AFUDC Equity	-	-	-	193,130
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(9,940,613)
825: Closing Cost of Removal	-	-	-	(2,563)
Project Net	-	-	-	0

Project No: 65007047 WM 115kV Trans

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	206,198	-	-	-	206,198	-	-	-
120: Overtime-General	12,767	-	-	-	12,767	-	-	-
350: Material Issues-Major	5,067,513	-	-	-	5,067,513	-	-	-
370: Outside Services	3,225,879	-	-	-	3,225,879	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	3,241	-	-	-	3,241	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	55,546	-	-	-	55,546	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	17,158	-	-	-	17,158	-	-	-
914: Pension and Benefits	40,989	-	-	-	40,989	-	-	-
915: Injuries and Damages	38,345	-	-	-	38,345	-	-	-
921: Stores Load	28,151	-	-	-	28,151	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	508,432	-	-	-	508,432	-	-	-
926: A&G Loads	362,313	-	-	-	362,313	-	-	-
928: AFUDC Debt	183,515	-	-	-	183,515	-	-	-
929: AFUDC Equity	193,130	-	-	-	193,130	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(9,940,613)	-	-	-	(9,940,613)	-	-	-
825: Closing Cost of Removal	(2,563)	-	-	-	(2,563)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: 65007047 WM 115kV Trans

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	206,198
120: Overtime-General	-	-	-	-	-	-	12,767
350: Material Issues-Major	-	-	-	-	-	-	5,067,513
370: Outside Services	-	-	-	-	-	-	3,225,879
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	3,241
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	55,546
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	17,158
914: Pension and Benefits	-	-	-	-	-	-	40,989
915: Injuries and Damages	-	-	-	-	-	-	38,345
921: Stores Load	-	-	-	-	-	-	28,151
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	508,432
926: A&G Loads	-	-	-	-	-	-	362,313
928: AFUDC Debt	-	-	-	-	-	-	183,515
929: AFUDC Equity	-	-	-	-	-	-	193,130
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(9,940,613)
825: Closing Cost of Removal	-	-	-	-	-	-	(2,563)
Project Net	-	-	-	-	-	-	0

Project No: **65007050** **RTU Program**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Total System 100%

Estimated Start Date 2/1/2025

Estimated Completion Date 12/31/2030

Description

The RTU Program replaces aging supervisory control and data acquisition (SCADA) infrastructure that is no longer in production or can no longer meet system requirements, including the data redundancy requirements established by the California Independent System Operator (CAISO) for generation interconnectors. The project replaces remote terminal units (RTUs), the input/output (IO) devices for analogs, alarms and controls, and breaker synchronous closing systems, also called breaker sync panels.

Project No: **65007050** **RTU Program**

Project Need Justification

This project replaces the Novatech Orion LX RTUs and Novatech distributed digital input/output modules (DDIOs), which do not work with Windows 11 or newer. It also covers replacement of other RTUs whose programmable functionality is limited and will not meet the CAISO data redundancy requirements for generation solar, wind or battery energy storage system (BESS) interconnectors. The program replaces the obsolete equipment with current technology, including Novatech Orion LX+ RTUs, the ACS NTX RTU series and Telvent RTUs, and possibly a few older RTU models still on the transmission system. It also replaces breaker sync panels where some inputs have already burned out. Without these upgrades, equipment failing before replacement would cause lengthy SCADA outages requiring stations to be manned around the clock until resolved. Where an interconnector is tied to an affected station, generation could be curtailed to zero output, costing significant revenue and risking possible fines.

Project No: **65007050** **RTU Program**

Project Alternatives

The Novatech series of devices provide the cleanest and most cost effective SCADA solution and the simplest wiring and programming to provide full redundancy and failover with two RTUs, which is a CAISO requirement for interconnectors. The next best alternative would be to install two SEL RTACS (Real-Time Automation Controllers) with considerably more customized programming for the redundancy and a higher per unit cost. Where singular units are required, the Novatech family still outshines the SEL RTAC especially in NERC CIP (Critical Infrastructure Protection) applications where they interface with the operational technology (OT) security applications PNM uses.

Project No: **65007050** **RTU Program**

Project Estimate Approach

A detailed list of all remote terminal units (RTUs) and input/output equipment on the system was exported from the Cascade software. From that list, the older equipment known to be obsolete or failing was identified. Quotes were requested for the RTUs, IO equipment and breaker sync panels, and determined the cost for replacing all identified equipment. Labor was calculated from comparable past projects, and the program was spread over five years with projects prioritized by equipment age.

Project No: **65007050** **RTU Program**

Customer Benefit	PNM won't have to pass on the costs/fines associated with curtailing generation and/or having to man stations if the equipment fails prior to us replacing it. The program ensures that Power Ops maintains visibility to the overall health and power flow on our grid.

Project No: **65007050** **RTU Program**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65007050** **RTU Program**

General Services

Reliability & Resiliency

These replacements allow PNM to stay current with technology as manufacturers obsolete products or stop supporting aged equipment. Upgrading in an expedient manner allows us to maintain fluid data flow from the substations and switchyards to both Transmissions' Power Operations (Power Ops) and the Distribution Operation Center (DOC). This reduces negative impacts to our operations centers during urgent events if one of the devices fails prior to a scheduled upgrade.

Safety & Security

Technology Advancements

Project No: 65007050 RTU Program

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	116,858	-	-	-	-	-	-	116,858
120: Overtime-General	15,063	-	-	-	-	-	-	15,063
350: Material Issues-Major	641,653	-	-	-	-	-	-	641,653
370: Outside Services	459,748	-	-	-	-	-	-	459,748
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	21,519	-	-	-	-	-	-	21,519
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	10,237	-	-	-	-	-	-	10,237
914: Pension and Benefits	22,125	-	-	-	-	-	-	22,125
915: Injuries and Damages	26,427	-	-	-	-	-	-	26,427
921: Stores Load	3,554	-	-	-	-	-	-	3,554
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	137,963	-	-	-	-	-	-	137,963
926: A&G Loads	69,578	-	-	-	-	-	-	69,578
928: AFUDC Debt	43,741	587	-	-	-	-	-	44,329
929: AFUDC Equity	50,225	626	-	-	-	-	-	50,851
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,363,112)	(241,593)	-	-	-	-	-	(1,604,705)
825: Closing Cost of Removal	4	(15,202)	-	-	-	-	-	(15,198)
Project Net	255,581	(255,581)	-	-	-	-	-	(0)

Project No: **65007050** **RTU Program**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	116,858	8,322	8,322	8,322	8,322	8,322	8,322
120: Overtime-General	15,063	753	753	753	753	753	753
350: Material Issues-Major	641,653	52,053	52,053	52,053	52,053	52,053	52,053
370: Outside Services	459,748	35,082	35,082	35,082	35,082	35,082	35,082
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	21,519	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	10,237	750	750	750	750	750	750
914: Pension and Benefits	22,125	1,723	1,723	1,723	1,723	1,723	1,723
915: Injuries and Damages	26,427	1,721	1,721	1,721	1,721	1,721	1,721
921: Stores Load	3,554	1,701	1,701	1,701	1,701	1,701	1,701
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	137,963	15,061	15,061	15,061	15,061	15,061	15,061
926: A&G Loads	69,578	3,608	3,608	3,608	3,608	3,608	3,608
928: AFUDC Debt	44,329	132	396	661	928	1,196	1,466
929: AFUDC Equity	50,851	178	535	894	1,255	1,618	1,983
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(1,604,705)	-	-	-	-	-	-
825: Closing Cost of Removal	(15,198)	-	-	-	-	-	-
Project Net	(0)	121,083	121,704	122,329	122,957	123,588	124,222

Project No: **65007050** **RTU Program**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	8,322	8,322	8,322	191,756
120: Overtime-General	753	753	753	21,840
350: Material Issues-Major	52,053	52,053	52,053	1,110,130
370: Outside Services	35,082	35,082	35,082	775,486
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	21,519
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	750	750	750	16,983
914: Pension and Benefits	1,723	1,723	1,723	37,635
915: Injuries and Damages	1,721	1,721	1,721	41,913
921: Stores Load	1,701	1,701	1,701	18,864
922: Minor Material Load	-	-	-	-
925: E&S Loads	15,061	15,061	15,061	273,508
926: A&G Loads	3,608	3,608	3,608	102,049
928: AFUDC Debt	1,737	2,009	2,283	55,137
929: AFUDC Equity	2,350	2,718	3,089	65,472
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(1,604,705)
825: Closing Cost of Removal	-	-	-	(15,198)
Project Net	124,860	125,501	126,145	1,112,388

Project No: 65007050 RTU Program

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	191,756	8,322	8,322	8,322	216,722	12,721	12,721	12,721
120: Overtime-General	21,840	753	753	753	24,099	154	154	154
350: Material Issues-Major	1,110,130	52,053	52,053	52,053	1,266,289	65,763	65,763	65,763
370: Outside Services	775,486	35,082	35,082	35,082	880,732	57,480	57,480	57,480
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	21,519	-	-	-	21,519	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	16,983	750	750	750	19,232	1,063	1,063	1,063
914: Pension and Benefits	37,635	1,723	1,723	1,723	42,805	2,445	2,445	2,445
915: Injuries and Damages	41,913	1,721	1,721	1,721	47,074	2,441	2,441	2,441
921: Stores Load	18,864	1,701	1,701	1,701	23,967	2,149	2,149	2,149
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	273,508	15,061	15,061	15,061	318,690	21,310	21,310	21,310
926: A&G Loads	102,049	3,608	3,608	3,608	112,873	4,778	4,778	4,778
928: AFUDC Debt	55,137	2,559	2,835	3,114	63,644	3,380	3,763	4,148
929: AFUDC Equity	65,472	3,461	3,836	4,212	76,982	5,332	5,936	6,544
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,604,705)	-	-	-	(1,604,705)	-	-	-
825: Closing Cost of Removal	(15,198)	-	-	-	(15,198)	-	-	-
Project Net	1,112,388	126,793	127,444	128,099	1,494,723	179,016	180,004	180,997

Project No: 65007050 RTU Program

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	12,721	12,721	12,721	12,721	12,721	12,721	331,211
120: Overtime-General	154	154	154	154	154	154	25,485
350: Material Issues-Major	65,763	65,763	65,763	65,763	65,763	65,763	1,858,156
370: Outside Services	57,480	57,480	57,480	57,480	57,480	57,480	1,398,052
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	21,519
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,063	1,063	1,063	1,063	1,063	1,063	28,803
914: Pension and Benefits	2,445	2,445	2,445	2,445	2,445	2,445	64,810
915: Injuries and Damages	2,441	2,441	2,441	2,441	2,441	2,441	69,044
921: Stores Load	2,149	2,149	2,149	2,149	2,149	2,149	43,309
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	21,310	21,310	21,310	21,310	21,310	21,310	510,481
926: A&G Loads	4,778	4,778	4,778	4,778	4,778	4,778	155,872
928: AFUDC Debt	4,535	4,925	5,317	5,711	6,107	6,505	108,034
929: AFUDC Equity	7,155	7,770	8,388	9,010	9,635	10,264	147,016
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,604,705)
825: Closing Cost of Removal	-	-	-	-	-	-	(15,198)
Project Net	181,995	183,000	184,010	185,025	186,046	187,073	3,141,889

Project No: **65007123** **AW 115kV Structure Replace Phase 1**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Total System 100%

Estimated Start Date 8/8/2023

Estimated Completion Date 5/31/2028

Description

This project consists of replacing approximately sixty 115kV wood H-frame tangent transmission structures that have been damaged or are at the end of useful life with new steel H-frame structures. The structures in question are approximately 54 years old and inspections have shown they are either deformed permanently past design deflection failure criteria, have cracks and/or broken arms, or other damage that require replacement.

Project No: **65007123** **AW 115kV Structure Replace Phase 1**

Project Need Justification	The sixty tangent structures in question all show significant leaning towards one side. This permanent leaning was measured to be past the design deflection failure criteria of 2% of the pole height. Permanent deformation increases the risk of a structure falling due to wind loads or eccentricity not designed for. This would result in outages and poses a safety risk to the public.

Project No: **65007123 AW 115kV Structure Replace Phase 1**

Project Alternatives

Two alternatives were identified

Alternative 1: Do nothing. This is not a viable approach as the poles are damaged and need to be replaced to ensure system reliability and eliminate safety risks.

Alternative 2: Replace the failed structures with wood poles. Although the material costs would be lower, wood poles have a shorter life than steel poles and are more susceptible to permanent deformation. It was therefore decided to proceed with steel structures.

Project No: **65007123 AW 115kV Structure Replace Phase 1**

Project Estimate Approach	The project estimate was developed using field inspections conducted by PNM personnel, sourcing RFQ information, right-of-way evaluations, and a cost estimate prepared by a contractor. The estimate is based on replacing aging wood H-frame transmission structures with steel H-frame structures and completing associated easement reinstatement activities. Assumptions include project execution within planned budget constraints and anticipated construction sequencing. Contingency was incorporated into the estimator's budget to account for uncertainties associated with project development and construction. Internal engineering, sourcing, and project management resources will support project execution, while right-of-way services and construction activities will be provided by external resources.

Project No: **65007123 AW 115kV Structure Replace Phase 1**

Customer Benefit	Replacing deformed structures decreases the risk of a structure falling under wind loads or eccentricity not designed for. A fallen structure exposes the public to accidental contact with energized conductors and can start a fire through contact with vegetation, and the loss of a structure causes an outage for the customers served from the line. Replacing the structures before they fail avoids both while improving safety and reliability.

Project No: **65007123** **AW 115kV Structure Replace Phase 1**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65007123** **AW 115kV Structure Replace Phase 1**

General Services

Reliability & Resiliency

Customer benefits for this project includes safety and reliability. Permanent deformation increases the risk of a structure falling due to wind loads or eccentricity not designed for. Loss of a structure would result in an outage affecting reliability.

Safety & Security

Customer benefits for this project includes safety and reliability. Permanent deformation increases the risk of a structure falling due to wind loads or eccentricity not designed for. The fall of a structure poses a safety risk to the public from accidental contact with energized conductors or a fire due to contact with vegetation.

Technology Advancements

Project No: 65007123 AW 115kV Structure Replace Phase 1

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	17,692	-	-	-	-	17,692
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	396,308	-	-	-	-	396,308
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	1,348	-	-	-	-	1,348
914: Pension and Benefits	-	-	3,292	-	-	-	-	3,292
915: Injuries and Damages	-	-	3,503	-	-	-	-	3,503
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	24,273	-	-	-	-	24,273
926: A&G Loads	-	-	21,528	-	-	-	-	21,528
928: AFUDC Debt	-	-	566	1,134	-	-	-	1,700
929: AFUDC Equity	-	-	603	1,209	-	-	-	1,811
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(462,097)	-	-	-	(462,097)
825: Closing Cost of Removal	-	-	-	(9,359)	-	-	-	(9,359)
Project Net	-	-	469,113	(469,113)	-	-	-	0

Project No: **65007123** **AW 115kV Structure Replace Phase 1**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	17,692	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	396,308	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,348	-	-	-	-	-	-
914: Pension and Benefits	3,292	-	-	-	-	-	-
915: Injuries and Damages	3,503	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	24,273	-	-	-	-	-	-
926: A&G Loads	21,528	-	-	-	-	-	-
928: AFUDC Debt	1,700	-	-	-	-	-	-
929: AFUDC Equity	1,811	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(462,097)	-	-	-	-	-	-
825: Closing Cost of Removal	(9,359)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **65007123** **AW 115kV Structure Replace Phase 1**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	17,692
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	-	-	-	396,308
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,348
914: Pension and Benefits	-	-	-	3,292
915: Injuries and Damages	-	-	-	3,503
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	24,273
926: A&G Loads	-	-	-	21,528
928: AFUDC Debt	-	-	-	1,700
929: AFUDC Equity	-	-	-	1,811
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(462,097)
825: Closing Cost of Removal	-	-	-	(9,359)
Project Net	-	-	-	0

Project No: 65007123 AW 115kV Structure Replace Phase 1

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	17,692	-	-	-	17,692	25,893	45,893	45,893
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	272,467	516,987	516,987
370: Outside Services	396,308	-	-	-	396,308	-	574,229	574,229
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	113,711	113,711
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,348	-	-	-	1,348	2,139	3,791	3,791
914: Pension and Benefits	3,292	-	-	-	3,292	4,917	8,715	8,715
915: Injuries and Damages	3,503	-	-	-	3,503	4,909	8,701	8,701
921: Stores Load	-	-	-	-	-	8,904	16,895	16,895
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	24,273	-	-	-	24,273	46,549	190,804	190,804
926: A&G Loads	21,528	-	-	-	21,528	10,472	43,904	43,904
928: AFUDC Debt	1,700	-	-	-	1,700	402	2,435	5,706
929: AFUDC Equity	1,811	-	-	-	1,811	635	3,842	9,003
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(462,097)	-	-	-	(462,097)	-	-	-
825: Closing Cost of Removal	(9,359)	-	-	-	(9,359)	-	-	-
Project Net	0	-	-	-	0	377,287	1,529,908	1,538,339

Project No: **65007123** **AW 115kV Structure Replace Phase 1**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	65,893	-	-	-	-	-	201,264
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	761,506	-	-	-	-	-	2,067,947
370: Outside Services	1,148,459	-	-	-	-	-	2,693,225
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	227,422	-	-	-	-	-	454,844
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	5,443	-	-	-	-	-	16,511
914: Pension and Benefits	12,513	-	-	-	-	-	38,153
915: Injuries and Damages	12,493	-	-	-	-	-	38,308
921: Stores Load	24,886	-	-	-	-	-	67,581
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	335,059	-	-	-	-	-	787,490
926: A&G Loads	77,335	-	-	-	-	-	197,143
928: AFUDC Debt	10,222	13,135	-	-	-	-	33,601
929: AFUDC Equity	16,128	20,723	-	-	-	-	52,142
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	(6,054,862)	-	-	-	-	(6,516,959)
825: Closing Cost of Removal	-	(121,890)	-	-	-	-	(131,249)
Project Net	2,697,360	(6,142,894)	-	-	-	-	(0)

Project No: **65007124** **Prager to Richmond Line Upgrade**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2028

Description

The Richmond to Prager upgrade project, located in Albuquerque, New Mexico, will include transmission line upgrades to the 115kV Richmond to Prager (RP) Line to increase capacity using advanced "carbon core" conductor. The line is approximately 3.5 miles long total starting at Richmond Substation and terminating at Prager Switching Station.

Project No: 65007124 Prager to Richmond Line Upgrade

Project Need Justification

The 2022 Planning Assessment confirmed the need to increase the capacity of the Prager-Richmond 115 kV line. Under certain outage conditions involving the loss of another transmission source serving Sandia 115 kV Station, additional power must flow from West Mesa into the Sandia area, resulting in overloads on the Prager-Richmond line. The 2022 Planning Assessment contains a comprehensive list of outages resulting in an overload and associated per-unit line loading.

The do-nothing alternative would require reliance on load-side generation to mitigate these overloads. If sufficient load-side generation is unavailable, load shedding in the Albuquerque area would be necessary to maintain system reliability.

Based on the Planning Assessment, the recommended solution is to upgrade the Prager-Richmond 115 kV line to a minimum capacity of 200 MVA. The proposed project completion date is December 1, 2027.

Project No: **65007124** **Prager to Richmond Line Upgrade**

Project Alternatives

The "do nothing" alternative would require continued reliance on load-side generation to maintain system reliability. In the event sufficient generation is unavailable, load curtailment within the City of Albuquerque would be necessary. Given Albuquerque's significance as a major customer load center, this alternative would increase the risk of service interruptions and would not adequately support PNM's reliability and customer service obligations. Therefore, this option is not considered a viable long-term solution.

Project No: 65007124 Prager to Richmond Line Upgrade

Project Estimate Approach	The project will be executed under a Time and Materials (T&M) pricing structure with a not-to-exceed (NTE) budget cap, based on vendor quotes. Proposals shall include a detailed rate sheet identifying labor classifications, hourly billing rates, and the estimated number of hours allocated to each resource category. PNM recognizes that the scope of work is broad and may evolve as project requirements are further defined. The level of effort required may vary significantly based on permitting, regulatory, stakeholder, and project-specific considerations. Contractors shall monitor project expenditures against the approved NTE amount and submit any proposed change orders for review and approval prior to exceeding the established budget cap. This approach provides flexibility while maintaining cost control and budget transparency throughout project execution.

Project No: **65007124** **Prager to Richmond Line Upgrade**

Customer Benefit	Upgrading the Prager-Richmond 115kV transmission line will improve reliability and resiliency for customers in the Albuquerque metropolitan area by increasing the line's capacity to support power delivery during system outages and contingency conditions. The project will reduce the risk of transmission overloads that can occur when alternative sources serving the Sandia area are unavailable, helping maintain service continuity and reducing reliance on costly load-side generation. By strengthening the transmission network, the project enhances grid performance, supports continued customer growth, and minimizes the potential for service interruptions or load shedding during abnormal operating conditions.

Project No: **65007124** **Prager to Richmond Line Upgrade**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65007124** **Prager to Richmond Line Upgrade**

General Services

Reliability & Resiliency

Upgrading the Prager-Richmond 115 kV line rating improves transmission system reliability and resiliency by mitigating overloads that occur during contingency events serving the Sandia area. The project increases transmission capacity, reduces outage-related risks, and enhances PNM's ability to maintain reliable service during system disruptions.

Safety & Security

Technology Advancements

Project No: 65007124 Prager to Richmond Line Upgrade

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	9,426	9,426	9,426	9,426	9,426	18,852	65,982
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	384,650	384,650	384,650	-	-	1,153,949
370: Outside Services	-	50,489	338,976	244,717	433,236	433,236	602,903	2,103,557
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	718	718	718	718	718	1,437	5,028
914: Pension and Benefits	-	1,754	1,754	1,754	1,754	1,754	3,508	12,279
915: Injuries and Damages	-	1,866	1,866	1,866	1,866	1,866	3,733	13,064
921: Stores Load	-	-	16,494	16,494	16,494	-	-	49,481
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	3,695	42,400	36,980	47,820	25,703	36,250	192,847
926: A&G Loads	-	3,116	38,119	33,217	43,020	23,018	32,331	172,821
928: AFUDC Debt	-	86	1,181	3,077	5,110	6,870	8,349	24,672
929: AFUDC Equity	-	92	1,258	3,280	5,446	7,322	8,898	26,294
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	71,241	836,842	736,179	949,540	509,913	716,260	3,819,976

Project No: **65007124** **Prager to Richmond Line Upgrade**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	65,982	10,000	10,000	20,000	10,000	10,000	10,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	1,153,949	-	-	-	-	-	-
370: Outside Services	2,103,557	419,620	419,620	424,064	250,000	250,000	200,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	5,028	826	826	1,652	826	826	826
914: Pension and Benefits	12,279	1,899	1,899	3,798	1,899	1,899	1,899
915: Injuries and Damages	13,064	1,896	1,896	3,792	1,896	1,896	1,896
921: Stores Load	49,481	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	192,847	65,136	65,136	67,996	39,693	39,693	32,193
926: A&G Loads	172,821	16,111	16,111	16,652	9,750	9,750	7,875
928: AFUDC Debt	24,672	8,894	10,065	11,266	12,254	13,003	13,692
929: AFUDC Equity	26,294	12,033	13,617	15,242	16,578	17,592	18,523
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	3,819,976	536,415	539,170	564,462	342,897	344,659	286,903

Project No: **65007124** **Prager to Richmond Line Upgrade**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	10,000	10,000	10,000	165,982
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	1,153,949
370: Outside Services	200,000	200,000	200,000	4,666,861
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	826	826	826	13,288
914: Pension and Benefits	1,899	1,899	1,899	31,269
915: Injuries and Damages	1,896	1,896	1,896	32,024
921: Stores Load	-	-	-	49,481
922: Minor Material Load	-	-	-	-
925: E&S Loads	32,193	32,193	32,193	599,274
926: A&G Loads	7,875	7,875	7,875	272,695
928: AFUDC Debt	14,319	14,949	15,583	138,698
929: AFUDC Equity	19,371	20,224	21,081	180,553
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	288,379	289,862	291,353	7,304,076

Project No: 65007124 Prager to Richmond Line Upgrade

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	165,982	10,000	10,000	10,000	195,982	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,153,949	-	-	-	1,153,949	-	-	-
370: Outside Services	4,666,861	200,000	200,000	200,000	5,266,861	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	13,288	826	826	826	15,766	-	-	-
914: Pension and Benefits	31,269	1,899	1,899	1,899	36,966	-	-	-
915: Injuries and Damages	32,024	1,896	1,896	1,896	37,712	-	-	-
921: Stores Load	49,481	-	-	-	49,481	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	599,274	32,193	32,193	32,193	695,853	-	-	-
926: A&G Loads	272,695	7,875	7,875	7,875	296,320	-	-	-
928: AFUDC Debt	138,698	16,220	16,860	17,504	189,282	-	-	-
929: AFUDC Equity	180,553	21,943	22,809	23,680	248,985	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(8,032,181)	(8,032,181)	-	-	-
825: Closing Cost of Removal	-	-	-	(154,978)	(154,978)	-	-	-
Project Net	7,304,076	292,852	294,358	(7,891,286)	-	-	-	-

Project No: **65007124** **Prager to Richmond Line Upgrade**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	195,982
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,153,949
370: Outside Services	-	-	-	-	-	-	5,266,861
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	15,766
914: Pension and Benefits	-	-	-	-	-	-	36,966
915: Injuries and Damages	-	-	-	-	-	-	37,712
921: Stores Load	-	-	-	-	-	-	49,481
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	695,853
926: A&G Loads	-	-	-	-	-	-	296,320
928: AFUDC Debt	-	-	-	-	-	-	189,282
929: AFUDC Equity	-	-	-	-	-	-	248,985
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(8,032,181)
825: Closing Cost of Removal	-	-	-	-	-	-	(154,978)
Project Net	-	-	-	-	-	-	-

Project No: **65007150** **Star Light Interconection Expansion**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Valencia 100%

Estimated Start Date 6/1/2025

Estimated Completion Date 12/31/2026

Description

This project will interconnect the Sky Ranch project to the Sun Ranch 115kV Switching Station. A customer and PNM previously executed a Standard Large Generating Interconnection Agreement (LGIA) on July 30, 2024 to interconnect a 100 MW solar large generating facility and Battery Energy Storage System (BESS).

Project No: 65007150 Star Light Interconection Expansion

Project Need Justification

This project is required to facilitate the interconnection of a new 100 MW solar generation facility and Battery Energy Storage System (BESS) at the Sun Ranch 115 kV Switching Station. The project includes the construction of transmission interconnection facilities and associated station upgrades, including a new breaker, protection and control systems, metering, and communications infrastructure.

These improvements are necessary to safely and reliably integrate the new generation resource into the transmission system, meet interconnection requirements, and maintain reliable grid operations.

Project No: **65007150** **Star Light Interconection Expansion**

Project Alternatives

No alternatives were considered as facility upgrades are required for the Star Light Interconnection Project to interconnect with the PNM transmission system. The planned Transmission Provider Interconnection Facility (TPIF) and Substation Network Upgrades cost and scope of work have been evaluated by PNM engineering as the most efficient and cost effective method to provide the required interconnection service as specified within the LGIA, to maintain good utility practices, and ensure compliance with engineering and reliability requirements.

Project No: **65007150** **Star Light Interconection Expansion**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **65007150** **Star Light Interconection Expansion**

Customer Benefit

The Sky Ranch interconnection project will provide customers with access to additional clean energy resources by enabling the delivery of up to 100 MW of new solar generation and battery energy storage to the electric grid. The project supports long-term reliability and resiliency by diversifying energy resources, enhancing resource adequacy, and increasing the availability of renewable energy during periods of high customer demand. The addition of battery storage further improves grid flexibility and helps support reliable service as customer energy needs continue to grow.

Project No: **65007150 Star Light Interconection Expansion**

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	This project supports customer delivery by fulfilling PNM's obligations under the Large Generator Interconnection Agreement (LGIA) and enabling the successful interconnection of the Starlight project to the transmission system. The required network upgrades provide the infrastructure necessary to accommodate the new generation resource while maintaining reliable system operations. By facilitating the delivery of the project's generating capacity to the grid, the investment supports customer energy needs, enhances grid capability, and ensures timely service to interconnection customers in accordance with regulatory and contractual requirements.
Energy Transition	

Project No: **65007150** **Star Light Interconection Expansion**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65007150 Star Light Interconection Expansion

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	288,772	20,000	15,000	15,000	5,000	-	-	343,772
120: Overtime-General	1,776	-	-	-	-	-	-	1,776
350: Material Issues-Major	99,969	-	-	-	-	-	-	99,969
370: Outside Services	2,289,350	369,350	99,929	-	-	-	-	2,758,629
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	21,245	-	-	-	-	-	-	21,245
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	(1,621,191)	-	-	(1,621,191)
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	22,376	1,524	1,143	1,143	381	-	-	26,567
914: Pension and Benefits	50,833	3,722	2,792	2,792	931	-	-	61,068
915: Injuries and Damages	58,028	3,960	2,970	2,970	990	-	-	68,918
921: Stores Load	10,100	-	-	-	-	-	-	10,100
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	158,284	22,917	7,005	1,260	420	-	-	189,886
926: A&G Loads	148,831	20,246	5,976	780	260	-	-	176,094
928: AFUDC Debt	27,025	8,422	9,162	9,401	7,528	5,616	-	67,154
929: AFUDC Equity	21,614	8,976	9,764	10,019	8,023	5,986	-	64,381
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	(2,288,623)	-	(2,288,623)
825: Closing Cost of Removal	-	-	-	-	-	20,255	-	20,255
Project Net	3,198,203	459,118	153,742	43,363	(1,597,659)	(2,256,767)	-	(0)

Project No: **65007150** **Star Light Interconection Expansion**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	343,772	-	-	-	-	-	-
120: Overtime-General	1,776	-	-	-	-	-	-
350: Material Issues-Major	99,969	-	-	-	-	-	-
370: Outside Services	2,758,629	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	21,245	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	(1,621,191)	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	26,567	-	-	-	-	-	-
914: Pension and Benefits	61,068	-	-	-	-	-	-
915: Injuries and Damages	68,918	-	-	-	-	-	-
921: Stores Load	10,100	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	189,886	-	-	-	-	-	-
926: A&G Loads	176,094	-	-	-	-	-	-
928: AFUDC Debt	67,154	-	-	-	-	-	-
929: AFUDC Equity	64,381	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(2,288,623)	-	-	-	-	-	-
825: Closing Cost of Removal	20,255	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **65007150** **Star Light Interconection Expansion**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	343,772
120: Overtime-General	-	-	-	1,776
350: Material Issues-Major	-	-	-	99,969
370: Outside Services	-	-	-	2,758,629
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	21,245
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	(1,621,191)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	26,567
914: Pension and Benefits	-	-	-	61,068
915: Injuries and Damages	-	-	-	68,918
921: Stores Load	-	-	-	10,100
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	189,886
926: A&G Loads	-	-	-	176,094
928: AFUDC Debt	-	-	-	67,154
929: AFUDC Equity	-	-	-	64,381
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(2,288,623)
825: Closing Cost of Removal	-	-	-	20,255
Project Net	-	-	-	(0)

Project No: 65007150 Star Light Interconection Expansion

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	343,772	-	-	-	343,772	-	-	-
120: Overtime-General	1,776	-	-	-	1,776	-	-	-
350: Material Issues-Major	99,969	-	-	-	99,969	-	-	-
370: Outside Services	2,758,629	-	-	-	2,758,629	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	21,245	-	-	-	21,245	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(1,621,191)	-	-	-	(1,621,191)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	26,567	-	-	-	26,567	-	-	-
914: Pension and Benefits	61,068	-	-	-	61,068	-	-	-
915: Injuries and Damages	68,918	-	-	-	68,918	-	-	-
921: Stores Load	10,100	-	-	-	10,100	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	189,886	-	-	-	189,886	-	-	-
926: A&G Loads	176,094	-	-	-	176,094	-	-	-
928: AFUDC Debt	67,154	-	-	-	67,154	-	-	-
929: AFUDC Equity	64,381	-	-	-	64,381	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(2,288,623)	-	-	-	(2,288,623)	-	-	-
825: Closing Cost of Removal	20,255	-	-	-	20,255	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65007150** **Star Light Interconection Expansion**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	343,772
120: Overtime-General	-	-	-	-	-	-	1,776
350: Material Issues-Major	-	-	-	-	-	-	99,969
370: Outside Services	-	-	-	-	-	-	2,758,629
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	21,245
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	(1,621,191)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	26,567
914: Pension and Benefits	-	-	-	-	-	-	61,068
915: Injuries and Damages	-	-	-	-	-	-	68,918
921: Stores Load	-	-	-	-	-	-	10,100
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	189,886
926: A&G Loads	-	-	-	-	-	-	176,094
928: AFUDC Debt	-	-	-	-	-	-	67,154
929: AFUDC Equity	-	-	-	-	-	-	64,381
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,288,623)
825: Closing Cost of Removal	-	-	-	-	-	-	20,255
Project Net	-	-	-	-	-	-	(0)

Project No: **65007219** **New Sandia 115 kV Control House**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 10/31/2026

Description

The project involves replacing the aging 115kV control enclosure at the New Sandia facility, located in Albuquerque, with a larger and more modern control enclosure, relays, wiring, and battery building.

Project No: 65007219 New Sandia 115 kV Control House

Project Need Justification

The proactive replacement of aging infrastructure will improve system reliability and reduce the risk of increased maintenance costs, equipment failure, and service interruptions. This project includes replacing the existing 115 kV control enclosure at the New Sandia facility in Albuquerque with a larger, modern control house, upgraded protection relays, new wiring, and a replacement battery building.

The expanded control house is needed to accommodate modern protection and control equipment, communications systems, and future infrastructure additions that cannot be supported within the existing enclosure. Providing additional space will improve equipment accessibility, enhance maintainability, support future system upgrades, and ensure continued reliable operation of the substation.

Project No: **65007219** **New Sandia 115 kV Control House**

Project Alternatives

The only alternative is to do nothing. This option was not selected as running the existing equipment to failure increases the risk of damage to other equipment that could impact reliability and creates a safety hazard for PNM personnel.

The replacement of the existing 115 kV control enclosure with a larger control enclosure was evaluated based on both existing system needs and anticipated future buildout needs. The projected future buildout station design has been documented per the one-line diagram.

Project No: **65007219** **New Sandia 115 kV Control House**

Project Estimate Approach	The estimate was based on the West Mesa 230/345kV Control House Replacement project. The estimate for Sandia was based on actual and projected costs for West Mesa with minimal changes based on the smaller scope of work for Sandia. The design was performed by external engineers with internal PNM oversight and approval, and the installation was performed by multiple external contractors. Internal PNM crews performed the communication design and installation. A 10% contingency was included in the estimate.

Project No: **65007219** **New Sandia 115 kV Control House**

Customer Benefit

This project will improve reliability and resiliency by replacing aging substation infrastructure before equipment failures occur. Modernizing the control house, protection systems, and associated equipment will reduce the likelihood of outages, lower maintenance requirements, and improve operational performance. Customers will benefit from a more reliable electric system, reduced risk of service interruptions, and continued safe delivery of electric service.

Project No: **65007219** **New Sandia 115 kV Control House**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65007219** **New Sandia 115 kV Control House**

General Services

Reliability & Resiliency

The proactive approach of replacing aging infrastructure will increase system reliability and reduce the risk of increased costs and potential system interruption caused by major equipment failure.

Safety & Security

Technology Advancements

Project No: 65007219 New Sandia 115 kV Control House

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	162,939	18,573	-	-	-	-	-	181,512
120: Overtime-General	3,089	-	-	-	-	-	-	3,089
350: Material Issues-Major	4,240,710	-	-	-	-	-	-	4,240,710
370: Outside Services	3,578,881	11,144	-	-	-	-	-	3,590,025
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	4,114	-	-	-	-	-	-	4,114
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	20,115	-	-	-	-	-	-	20,115
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	13,065	1,415	-	-	-	-	-	14,481
914: Pension and Benefits	31,795	3,456	-	-	-	-	-	35,252
915: Injuries and Damages	28,595	3,678	-	-	-	-	-	32,273
921: Stores Load	25,676	-	-	-	-	-	-	25,676
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	572,570	2,200	-	-	-	-	-	574,770
926: A&G Loads	353,370	1,545	-	-	-	-	-	354,915
928: AFUDC Debt	227,110	5,714	-	-	-	-	-	232,824
929: AFUDC Equity	223,881	6,090	-	-	-	-	-	229,970
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(7,053,690)	(2,349,061)	-	-	-	-	-	(9,402,751)
825: Closing Cost of Removal	(136,134)	(840)	-	-	-	-	-	(136,974)
Project Net	2,296,085	(2,296,085)	-	-	-	-	-	(0)

Project No: **65007219** **New Sandia 115 kV Control House**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	181,512	-	-	-	-	-	-
120: Overtime-General	3,089	-	-	-	-	-	-
350: Material Issues-Major	4,240,710	-	-	-	-	-	-
370: Outside Services	3,590,025	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	4,114	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	20,115	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	14,481	-	-	-	-	-	-
914: Pension and Benefits	35,252	-	-	-	-	-	-
915: Injuries and Damages	32,273	-	-	-	-	-	-
921: Stores Load	25,676	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	574,770	-	-	-	-	-	-
926: A&G Loads	354,915	-	-	-	-	-	-
928: AFUDC Debt	232,824	-	-	-	-	-	-
929: AFUDC Equity	229,970	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(9,402,751)	-	-	-	-	-	-
825: Closing Cost of Removal	(136,974)	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **65007219** **New Sandia 115 kV Control House**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	181,512
120: Overtime-General	-	-	-	3,089
350: Material Issues-Major	-	-	-	4,240,710
370: Outside Services	-	-	-	3,590,025
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	4,114
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	20,115
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	14,481
914: Pension and Benefits	-	-	-	35,252
915: Injuries and Damages	-	-	-	32,273
921: Stores Load	-	-	-	25,676
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	574,770
926: A&G Loads	-	-	-	354,915
928: AFUDC Debt	-	-	-	232,824
929: AFUDC Equity	-	-	-	229,970
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(9,402,751)
825: Closing Cost of Removal	-	-	-	(136,974)
Project Net	-	-	-	(0)

Project No: 65007219 New Sandia 115 kV Control House

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	181,512	-	-	-	181,512	-	-	-
120: Overtime-General	3,089	-	-	-	3,089	-	-	-
350: Material Issues-Major	4,240,710	-	-	-	4,240,710	-	-	-
370: Outside Services	3,590,025	-	-	-	3,590,025	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	4,114	-	-	-	4,114	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	20,115	-	-	-	20,115	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	14,481	-	-	-	14,481	-	-	-
914: Pension and Benefits	35,252	-	-	-	35,252	-	-	-
915: Injuries and Damages	32,273	-	-	-	32,273	-	-	-
921: Stores Load	25,676	-	-	-	25,676	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	574,770	-	-	-	574,770	-	-	-
926: A&G Loads	354,915	-	-	-	354,915	-	-	-
928: AFUDC Debt	232,824	-	-	-	232,824	-	-	-
929: AFUDC Equity	229,970	-	-	-	229,970	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(9,402,751)	-	-	-	(9,402,751)	-	-	-
825: Closing Cost of Removal	(136,974)	-	-	-	(136,974)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65007219** **New Sandia 115 kV Control House**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	181,512
120: Overtime-General	-	-	-	-	-	-	3,089
350: Material Issues-Major	-	-	-	-	-	-	4,240,710
370: Outside Services	-	-	-	-	-	-	3,590,025
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	4,114
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	20,115
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	14,481
914: Pension and Benefits	-	-	-	-	-	-	35,252
915: Injuries and Damages	-	-	-	-	-	-	32,273
921: Stores Load	-	-	-	-	-	-	25,676
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	574,770
926: A&G Loads	-	-	-	-	-	-	354,915
928: AFUDC Debt	-	-	-	-	-	-	232,824
929: AFUDC Equity	-	-	-	-	-	-	229,970
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(9,402,751)
825: Closing Cost of Removal	-	-	-	-	-	-	(136,974)
Project Net	-	-	-	-	-	-	(0)

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % San Juan 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

Description

The project is to provide a means of interconnection to the Sunbelt Solar Project consisting of 95.6 MW solar generating facility and 50 MW Battery Energy Storage System (BESS). The Large Generator Interconnection Agreement (LGIA) states the Transmission Provider would design, procure and construct the Station Network Upgrades necessary for the interconnection of the proposed Sunbelt Project to the PNM Transmission System at a Point of Interconnection at the San Juan North Satellite Station.

Project No: 65007326 Sunbelt San Juan 345kV Interconnect

Project Need Justification	The project supports the continued integration of utility-scale renewable generation and energy storage, increasing the diversity of energy resources available to serve customers while enhancing system flexibility. The addition of battery storage allows energy generated during peak solar production periods to be stored and dispatched when needed, improving resource utilization and supporting reliable system operations. Based on the project documentation, the required station and transmission network upgrades are necessary to accommodate the interconnection and cannot be avoided without preventing the facility from connecting to the transmission system. In addition, the interconnector has given notice to proceed and provided financial security, per FERC's mandate related to the LGIA process, PNM must proceed with the interconnection.

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

Project Alternatives

Per the LGIA contract, PNM is required to build this facility. To do nothing would be a breach of contract.

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

Project Estimate Approach	The estimate for this project was created by creating a list of all work required for the interconnection through scoping and preliminary engineering and using unit costs and bids from suppliers and manufacturers to calculate the total cost.

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

Customer Benefit	From a customer perspective, the project enables the delivery of additional renewable energy and energy storage resources to the grid, helping support long-term energy reliability, resource adequacy, and operational flexibility while advancing the infrastructure necessary to serve future customer energy needs. This investment provides the transmission capability required to safely and reliably integrate new generation resources into PNM's electric system

Project No: 65007326 Sunbelt San Juan 345kV Interconnect

Primary Value Driver	Energy Transition
Compliance	
Customer Delivery	
Energy Transition	The Sunbelt Solar Project supports the energy transition by providing the transmission infrastructure necessary to interconnect a new 95.6 MW solar facility and 50 MW battery energy storage system to the PNM electric system under the executed Large Generator Interconnection Agreement (LGIA). The project enables the delivery of new generation resources to customers and ensures that interconnection obligations can be met in a timely and reliable manner.

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65007326 Sunbelt San Juan 345kV Interconnect

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	42,417	94,260	94,260	230,936
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	157,769	-	-	-	-	1,348,017	-	1,505,786
370: Outside Services	-	-	-	-	141,389	535,360	535,360	1,212,109
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	3,232	7,183	7,183	17,597
914: Pension and Benefits	-	-	-	-	7,894	17,542	17,542	42,977
915: Injuries and Damages	-	-	-	-	8,399	18,663	18,663	45,725
921: Stores Load	-	-	-	-	-	57,803	-	57,803
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	5,822	-	-	-	11,692	116,209	38,698	172,421
926: A&G Loads	3,698	-	-	-	9,558	102,837	32,740	148,833
928: AFUDC Debt	6,437	438	440	443	716	3,769	7,465	19,708
929: AFUDC Equity	3,953	467	469	472	764	4,017	7,956	18,097
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	177,678	905	910	915	226,060	2,305,659	759,866	3,471,993

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	230,936	100,000	6,000	5,000	5,333	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	1,505,786	-	-	-	-	-	-
370: Outside Services	1,212,109	567,963	25,000	15,000	10,000	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	17,597	8,260	496	413	441	-	-
914: Pension and Benefits	42,977	18,990	1,139	950	1,013	-	-
915: Injuries and Damages	45,725	18,960	1,138	948	1,011	-	-
921: Stores Load	57,803	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	172,421	107,126	5,066	3,347	2,670	-	-
926: A&G Loads	148,833	25,049	1,163	750	575	-	-
928: AFUDC Debt	19,708	8,503	9,514	9,636	9,739	-	-
929: AFUDC Equity	18,097	11,503	12,871	13,036	13,175	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(4,409,755)	-	-
825: Closing Cost of Removal	-	-	-	-	(84,014)	-	-
Project Net	3,471,993	866,354	62,386	49,080	(4,449,814)	-	-

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	347,269
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	1,505,786
370: Outside Services	-	-	-	1,830,072
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	27,206
914: Pension and Benefits	-	-	-	65,069
915: Injuries and Damages	-	-	-	67,782
921: Stores Load	-	-	-	57,803
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	290,629
926: A&G Loads	-	-	-	176,369
928: AFUDC Debt	-	-	-	57,101
929: AFUDC Equity	-	-	-	68,683
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(4,409,755)
825: Closing Cost of Removal	-	-	-	(84,014)
Project Net	-	-	-	(0)

Project No: 65007326 Sunbelt San Juan 345kV Interconnect

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	347,269	-	-	-	347,269	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,505,786	-	-	-	1,505,786	-	-	-
370: Outside Services	1,830,072	-	-	-	1,830,072	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	27,206	-	-	-	27,206	-	-	-
914: Pension and Benefits	65,069	-	-	-	65,069	-	-	-
915: Injuries and Damages	67,782	-	-	-	67,782	-	-	-
921: Stores Load	57,803	-	-	-	57,803	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	290,629	-	-	-	290,629	-	-	-
926: A&G Loads	176,369	-	-	-	176,369	-	-	-
928: AFUDC Debt	57,101	-	-	-	57,101	-	-	-
929: AFUDC Equity	68,683	-	-	-	68,683	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(4,409,755)	-	-	-	(4,409,755)	-	-	-
825: Closing Cost of Removal	(84,014)	-	-	-	(84,014)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65007326** **Sunbelt San Juan 345kV Interconnect**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	347,269
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,505,786
370: Outside Services	-	-	-	-	-	-	1,830,072
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	27,206
914: Pension and Benefits	-	-	-	-	-	-	65,069
915: Injuries and Damages	-	-	-	-	-	-	67,782
921: Stores Load	-	-	-	-	-	-	57,803
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	290,629
926: A&G Loads	-	-	-	-	-	-	176,369
928: AFUDC Debt	-	-	-	-	-	-	57,101
929: AFUDC Equity	-	-	-	-	-	-	68,683
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(4,409,755)
825: Closing Cost of Removal	-	-	-	-	-	-	(84,014)
Project Net	-	-	-	-	-	-	(0)

Project No: **65007626** **TPL1 Breaker Replacements**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2028

Description

The purpose of this project is to replace 115kV circuit breakers in the metropolitan area at West Mesa, North, and Reeves with higher-capacity breakers that will be less susceptible to faults.

Project No: 65007626 TPL1 Breaker Replacements

Project Need Justification

Circuit breakers are designed to protect electrical power stations and distribution systems by interrupting electric currents in the event of a fault. The existing breakers are exposed to faults rated within 95% or greater than the breaker rating (i.e., faults that are close to capacity). Exposing underrated breakers to fault currents that exceed capacity can result in catastrophic failure of the units. This failure damages the breakers and can also damage other equipment in the station yard. Failure also creates a safety risk to PNM personnel that need to inspect and repair damaged equipment.

Furthermore, these upgrades ensure PNM continues to meet requirement 2.8 of North American Electric Reliability Corporation (NERC) standard TPL-001-5.1.

Project No: **65007626** **TPL1 Breaker Replacements**

Project Alternatives	The alternative is the do-nothing approach. This approach was not considered as failure to replace the existing breakers does not address system reliability and personnel safety risks.

Project No: **65007626** **TPL1 Breaker Replacements**

Project Estimate Approach	The estimate for this project was developed by evaluating the costs of similar projects, inclusive of equipment and labor.

Project No: **65007626** **TPL1 Breaker Replacements**

Customer Benefit	The project strengthens system resiliency, mitigates overload risks during peak demand or neighboring substation outages, and improves PNM's ability to maintain reliable service to Metro-area customers.

Project No: 65007626 TPL1 Breaker Replacements

Primary Value Driver	Reliability & Resiliency
Compliance	This project ensures PNM continues to meet requirement 2.8 of North American Electric Reliability Corporation (NERC) standard TPL-001-5.1.
Customer Delivery	
Energy Transition	

Project No: **65007626** **TPL1 Breaker Replacements**

General Services

Reliability & Resiliency

Upgraded circuit breakers can withstand expected faults. With the ability to efficiently and safely interrupt circuit faults, these enhancements will have a positive impact on reliability. Specifically, these enhancements will improve reliability by limiting the frequency and duration of outages inside switchyards.

Safety & Security

Existing circuit breakers are exposed to fault-currents near existing capacity. These faults can lead to catastrophic failure of breakers, thereby creating significant safety risks to PNM personnel and equipment. These enhancements will mitigate these safety risks because the new breakers are able to interrupt circuits efficiently and safely.

Technology Advancements

Project No: 65007626 TPL1 Breaker Replacements

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	45,000	45,000	45,000	45,000	45,000	225,000
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	2,588	2,588	2,588	2,588	2,588	12,938
926: A&G Loads	-	-	2,340	2,340	2,340	2,340	2,340	11,700
928: AFUDC Debt	-	-	60	181	303	425	548	1,518
929: AFUDC Equity	-	-	64	193	323	453	584	1,618
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(140,013)	(140,013)
825: Closing Cost of Removal	-	-	-	-	-	-	(2,821)	(2,821)
Project Net	-	-	50,052	50,302	50,553	50,806	(91,774)	109,939

Project No: **65007626** **TPL1 Breaker Replacements**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	200,000	200,000	200,000	200,000
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	225,000	177,596	275,533	177,596	179,533	177,596	89,199
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	16,520	16,520	16,520	16,520
914: Pension and Benefits	-	-	-	37,980	37,980	37,980	37,980
915: Injuries and Damages	-	-	-	37,920	37,920	37,920	37,920
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	12,938	26,639	41,330	70,502	70,793	70,502	57,243
926: A&G Loads	11,700	6,660	10,332	14,160	14,232	14,160	10,845
928: AFUDC Debt	1,518	470	1,059	2,026	3,249	4,478	5,596
929: AFUDC Equity	1,618	635	1,433	2,741	4,395	6,058	7,571
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(140,013)	-	-	-	-	-	-
825: Closing Cost of Removal	(2,821)	-	-	-	-	-	-
Project Net	109,939	212,000	329,687	559,445	564,622	565,214	462,874

Project No: **65007626** **TPL1 Breaker Replacements**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	200,000	150,000	-	1,150,000
350: Material Issues-Major	-	-	718,015	718,015
370: Outside Services	45,000	45,000	289,444	1,681,497
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	16,520	12,390	-	94,990
914: Pension and Benefits	37,980	28,485	-	218,385
915: Injuries and Damages	37,920	28,440	-	218,040
921: Stores Load	-	-	23,465	23,465
922: Minor Material Load	-	-	-	-
925: E&S Loads	50,613	39,647	151,119	591,327
926: A&G Loads	9,188	7,313	37,780	136,369
928: AFUDC Debt	6,549	7,356	9,064	41,364
929: AFUDC Equity	8,860	9,951	12,262	55,523
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(140,013)
825: Closing Cost of Removal	-	-	-	(2,821)
Project Net	412,629	328,582	1,241,148	4,786,141

Project No: 65007626 TPL1 Breaker Replacements

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	1,150,000	-	-	-	1,150,000	-	-	-
350: Material Issues-Major	718,015	-	718,015	-	1,436,030	718,015	-	718,015
370: Outside Services	1,681,497	289,444	533,889	402,808	2,907,638	591,289	381,808	518,889
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	94,990	-	-	-	94,990	-	-	-
914: Pension and Benefits	218,385	-	-	-	218,385	-	-	-
915: Injuries and Damages	218,040	-	-	-	218,040	-	-	-
921: Stores Load	23,465	-	23,465	-	46,929	23,465	-	23,465
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	591,327	43,417	187,786	60,421	882,950	196,396	57,271	185,536
926: A&G Loads	136,369	10,854	46,946	15,105	209,275	45,957	13,401	43,415
928: AFUDC Debt	41,364	10,816	12,894	15,130	80,203	1,684	3,861	5,958
929: AFUDC Equity	55,523	14,632	17,443	20,468	108,067	2,656	6,091	9,400
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(140,013)	-	-	(7,069,210)	(7,209,223)	-	-	-
825: Closing Cost of Removal	(2,821)	-	-	(140,464)	(143,285)	-	-	-
Project Net	4,786,141	369,163	1,540,438	(6,695,742)	0	1,579,461	462,432	1,504,678

Project No: **65007626** **TPL1 Breaker Replacements**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	1,150,000
350: Material Issues-Major	-	718,015	-	718,015	-	-	4,308,090
370: Outside Services	381,808	503,889	366,808	503,889	366,808	259,444	6,782,270
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	94,990
914: Pension and Benefits	-	-	-	-	-	-	218,385
915: Injuries and Damages	-	-	-	-	-	-	218,040
921: Stores Load	-	23,465	-	23,465	-	-	140,788
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	57,271	183,286	55,021	183,286	55,021	38,917	1,894,954
926: A&G Loads	13,401	42,889	12,875	42,889	12,875	9,106	446,084
928: AFUDC Debt	8,067	10,169	12,264	14,371	16,489	329	153,395
929: AFUDC Equity	12,728	16,044	19,349	22,673	26,015	519	223,541
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(7,814,077)	-	(15,023,299)
825: Closing Cost of Removal	-	-	-	-	(155,638)	-	(298,923)
Project Net	473,275	1,497,756	466,317	1,508,587	(7,492,506)	308,314	308,314

Project No: **65007627** **TPL1 P5 Relay Upgrades**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2027

County %		
	San Juan	50%
	Grant	25%
	Bernalillo	25%

Description

This program consists of secondary relay improvements and upgrades to provide protection redundancy at four facilities — West Mesa, Luna, Sandia and MD-1 (Mining District) — which are required for compliance with reliability standard TPL-001-5.1. Relay improvements and upgrades at San Juan and Mimbres are also included; these are not required for compliance but are recommended based on good utility practice.

Project No: 65007627 TPL1 P5 Relay Upgrades

Project Need Justification

NERC standard TPL-001 had a new revision (5.1) that went into effect on July 1, 2023. TPL-001 is the Transmission System Planning Performance Requirements. The new version of the standard changed the definition of a category P5 event from failure of a non-redundant relay to include failure of any non-redundant component of a protection scheme. The supplemental 2022 Planning Assessment was performed to bring PNM in compliance with TPL-001-5.1. There were 6 elements identified as resulting in potential system performance violations when a non-redundant protection system component failed with a corresponding Single-Line-to-Ground (SLG) fault. One of the facilities identified is included in an existing relay upgrade planned for 2024. Three elements did not result in potential system performance violations in accordance with TPL-001-5.1; however, they do result in undesirable system performance and should be corrected.

Project No: 65007627 TPL1 P5 Relay Upgrades

Project Alternatives

Relay upgrades were identified as Corrective Action Plans (CAPs) in the 2022 supplemental Planning Assessment. These CAPs are required for compliance with TPL-001-5.1 and need to be implemented by July 2027. The alternative is to do nothing. Doing nothing would create a lack of redundancy or eliminate single points of failure in the protection systems that if failed could result in system conditions that do not meet planning criteria and not be in compliance with TPL-001-5.1

Project No: **65007627** **TPL1 P5 Relay Upgrades**

Project Estimate Approach	Estimates were determined by looking at similar past projects and the cost of material at the time of the project being transitioned.

Project No: **65007627** **TPL1 P5 Relay Upgrades**

Customer Benefit

This project enhances the reliability and resiliency of PNM's transmission system by eliminating single points of failure within critical protection schemes identified under NERC TPL-001-5.1 requirements. The relay upgrades improve system performance during fault conditions, reduce the risk of widespread outages, and help ensure safe, reliable electric service for customers by maintaining the integrity of the bulk electric system during contingency events.

Project No:	**65007627** **TPL1 P5 Relay Upgrades**
Primary Value Driver	Compliance
Compliance	This project is required to meet compliance with NERC TPL-001-5.1. PNM has a set amount of time to mitigate the issues from the initial identification of the non-redundant protection system components that result in planning criteria violations.
Customer Delivery	
Energy Transition	

Project No: **65007627** **TPL1 P5 Relay Upgrades**

General Services

Reliability & Resiliency

Customers benefit from a more reliable and resilient electric grid through improved protection system redundancy that reduces the risk of service interruptions during equipment failures or fault events. These upgrades help ensure continued delivery of electric service, support compliance with industry reliability standards, and strengthen overall system performance.

Safety & Security

Technology Advancements

Project No: 65007627 TPL1 P5 Relay Upgrades

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	64,974	500	500	500	500	500	500	67,974
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	462	-	-	-	-	-	-	462
370: Outside Services	195,522	-	-	-	-	-	-	195,522
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,245	-	-	-	-	-	-	2,245
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	5,042	38	38	38	38	38	38	5,270
914: Pension and Benefits	11,405	93	93	93	93	93	93	11,964
915: Injuries and Damages	13,035	99	99	99	99	99	99	13,629
921: Stores Load	541	-	-	-	-	-	-	541
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	10,209	42	42	42	42	42	42	10,461
926: A&G Loads	6,635	26	26	26	26	26	26	6,791
928: AFUDC Debt	4,284	712	717	723	728	734	740	8,637
929: AFUDC Equity	3,405	758	764	770	776	782	788	8,045
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	317,761	2,268	2,280	2,291	2,303	2,314	2,326	331,542

Project No: **65007627** **TPL1 P5 Relay Upgrades**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	67,974	3,150	3,150	3,150	3,150	3,150	3,150
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	462	4,539	2,440	5,933	10,438	16,821	23,129
370: Outside Services	195,522	13,548	5,983	14,546	25,591	41,238	56,705
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	2,245	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	5,270	260	260	260	260	260	260
914: Pension and Benefits	11,964	598	598	598	598	598	598
915: Injuries and Damages	13,629	597	597	597	597	597	597
921: Stores Load	541	148	80	194	341	550	756
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	10,461	3,404	1,954	3,763	6,095	9,400	12,666
926: A&G Loads	6,791	796	434	886	1,469	2,295	3,112
928: AFUDC Debt	8,637	701	751	805	894	1,034	1,231
929: AFUDC Equity	8,045	948	1,016	1,088	1,210	1,398	1,665
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	331,542	28,691	17,264	31,820	50,644	77,341	103,869

Project No: **65007627** **TPL1 P5 Relay Upgrades**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	3,150	3,150	3,150	96,324
120: Overtime-General	-	-	-	-
350: Material Issues-Major	23,900	17,625	11,142	116,429
370: Outside Services	58,595	43,211	27,317	482,256
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	2,245
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	260	260	260	7,612
914: Pension and Benefits	598	598	598	17,347
915: Injuries and Damages	597	597	597	19,004
921: Stores Load	781	576	364	4,330
922: Minor Material Load	-	-	-	-
925: E&S Loads	13,065	9,816	6,460	77,084
926: A&G Loads	3,212	2,399	1,560	22,956
928: AFUDC Debt	1,461	1,667	1,818	18,998
929: AFUDC Equity	1,976	2,256	2,459	22,061
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	107,596	82,156	55,725	886,648

Project No: 65007627 TPL1 P5 Relay Upgrades

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	96,324	3,150	3,150	3,150	105,774	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	116,429	6,436	2,708	1,039	126,612	-	-	-
370: Outside Services	482,256	15,779	6,640	2,548	507,223	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,245	-	-	-	2,245	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	7,612	260	260	260	8,393	-	-	-
914: Pension and Benefits	17,347	598	598	598	19,142	-	-	-
915: Injuries and Damages	19,004	597	597	597	20,796	-	-	-
921: Stores Load	4,330	210	89	34	4,663	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	77,084	4,023	2,093	1,229	84,429	-	-	-
926: A&G Loads	22,956	951	469	253	24,628	-	-	-
928: AFUDC Debt	18,998	1,918	1,981	2,020	24,918	-	-	-
929: AFUDC Equity	22,061	2,595	2,680	2,733	30,069	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(917,354)	(917,354)	-	-	-
825: Closing Cost of Removal	-	-	-	(41,538)	(41,538)	-	-	-
Project Net	886,648	36,518	21,265	(944,431)	-	-	-	-

Project No: **65007627** **TPL1 P5 Relay Upgrades**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	105,774
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	126,612
370: Outside Services	-	-	-	-	-	-	507,223
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	2,245
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	8,393
914: Pension and Benefits	-	-	-	-	-	-	19,142
915: Injuries and Damages	-	-	-	-	-	-	20,796
921: Stores Load	-	-	-	-	-	-	4,663
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	84,429
926: A&G Loads	-	-	-	-	-	-	24,628
928: AFUDC Debt	-	-	-	-	-	-	24,918
929: AFUDC Equity	-	-	-	-	-	-	30,069
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(917,354)
825: Closing Cost of Removal	-	-	-	-	-	-	(41,538)
Project Net	-	-	-	-	-	-	-

Project No: **65007644** **Transm Comm Improvement 2026-2030**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Total System 100%

Estimated Start Date 3/1/2026

Estimated Completion Date 12/31/2031

Description

Transmission Communications System Improvement Projects - Two factors drive the need to continuously improve PNM telecommunications infrastructure. First, telecommunications platforms need to be replaced as they reach the end of their useful lives or become obsolete. Second, redundant communications paths are built in as many locations as possible to minimize data loss to Power Operations and maximize visibility into the health and status of the transmission system. Redundant communication paths also provide redundant paths for protective relaying equipment between transmission stations, supporting reliable operation and protection of the Grid.

Project No: **65007644 Transm Comm Improvement 2026-2030**

Project Need Justification

Without the improvements below, our bulk electric grid is left vulnerable if our communications equipment is not replaced before reaching end of life. Where redundant comm paths are unavailable, a fiber cut, or other equipment failure could result in line protective equipment not functioning properly and damaging equipment with long lead times or possibly creating unsafe conditions for the public.

While System Engineering has made much progress, many opportunities for improvement to the network still exist. Also, many network elements will need to be replaced as they reach end-of-life.

Here is a breakdown of the progress made and opportunities for network improvement:

	Completed	Not-Completed
M/W Replacements Phase 1	68 nodes	0 nodes
M/W Radio Antenna Replacements	8 nodes	20 nodes
SONET Nodes	6 nodes	153 nodes
Battery Plants/Power Upgrades	11 sites	12 sites
Generators	1 sites	9 sites
Alternate Path Completions	8 sites	10 sites

For these reasons there will be a continuous need for network upgrades and replacement. Also based on new technology, security and compliance requirements, and aging equipment this process will require continuous improvement due to the utility average of required upgrades every 10-12 years.

Project No: **65007644** **Transm Comm Improvement 2026-2030**

Project Alternatives

The only alternative is to do nothing. However, this can result in a loss of path redundancy which means a switching station could suffer a loss of control and differential relaying protection for our transmission lines for up to 8 to 12 hours.

Project No: **65007644** **Transm Comm Improvement 2026-2030**

Project Estimate Approach

A detailed list of all the Microwave and Sonet equipment on PNM's system was exported from the Cascade software. From this list older equipment known to be obsolete or failing was identified. Quote were requested for equipment to replace the obsolete items in order to determine the cost of the equipment, and labor was calculated based on similar projects completed in the past. It was then decided to spread the program over five years, prioritizing projects based on age.

Project No: **65007644** **Transm Comm Improvement 2026-2030**

Customer Benefit	The benefit will be faster system restoration after an incident, fault protection for the relaying, and protection for the equipment on the bulk electric system. This will reduce outage time and capital equipment replacement costs.

Project No: **65007644** **Transm Comm Improvement 2026-2030**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65007644** **Transm Comm Improvement 2026-2030**

General Services

Reliability & Resiliency

These replacements allow PNM to stay current with technology as manufacturers obsolete products or stop supporting aged equipment. Upgrading in an expedient manner allows us to maintain fluid data flow from the substations and switchyards to both Transmissions' Power Operations (Power Ops) and the Distribution Operation Center (DOC). This reduces negative impacts to our operations centers during urgent events if one of the devices fails prior to a scheduled upgrade.

Safety & Security

Technology Advancements

Project No: 65007644 Transm Comm Improvement 2026-2030

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	1,220	6,068	6,068	6,068	6,068	6,068	6,068	37,628
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	36,488	18,204	18,204	18,204	18,204	18,204	18,204	145,712
370: Outside Services	50,465	36,408	36,408	36,408	36,408	36,408	36,408	268,913
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	151	-	-	-	-	-	-	151
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	93	462	462	462	462	462	462	2,867
914: Pension and Benefits	223	1,129	1,129	1,129	1,129	1,129	1,129	6,999
915: Injuries and Damages	242	1,201	1,201	1,201	1,201	1,201	1,201	7,450
921: Stores Load	263	781	781	781	781	781	781	4,946
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	4,462	3,650	3,650	3,650	3,650	3,650	3,650	26,360
926: A&G Loads	5,044	3,155	3,155	3,155	3,155	3,155	3,155	23,976
928: AFUDC Debt	169	259	432	606	781	956	1,133	4,336
929: AFUDC Equity	131	276	460	646	832	1,019	1,208	4,572
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(28,840)	-	-	-	-	-	(496,545)	(525,385)
825: Closing Cost of Removal	-	-	-	-	-	-	(8,527)	(8,527)
Project Net	70,112	71,593	71,951	72,310	72,671	73,035	(431,673)	(0)

Project No: **65007644** **Transm Comm Improvement 2026-2030**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	37,628	6,787	6,787	6,787	6,787	6,787	6,787
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	145,712	20,360	20,360	20,360	20,360	20,360	20,360
370: Outside Services	268,913	40,720	40,720	40,720	40,720	40,720	40,720
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	151	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	2,867	561	561	561	561	561	561
914: Pension and Benefits	6,999	1,289	1,289	1,289	1,289	1,289	1,289
915: Injuries and Damages	7,450	1,287	1,287	1,287	1,287	1,287	1,287
921: Stores Load	4,946	665	665	665	665	665	665
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	26,360	10,650	10,650	10,650	10,650	10,650	10,650
926: A&G Loads	23,976	2,545	2,545	2,545	2,545	2,545	2,545
928: AFUDC Debt	4,336	93	278	465	652	841	1,030
929: AFUDC Equity	4,572	125	376	629	882	1,137	1,393
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(525,385)	-	-	-	-	-	-
825: Closing Cost of Removal	(8,527)	-	-	-	-	-	-
Project Net	(0)	85,082	85,518	85,957	86,398	86,842	87,288

Project No: **65007644** **Transm Comm Improvement 2026-2030**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	6,787	6,787	6,787	98,711
120: Overtime-General	-	-	-	-
350: Material Issues-Major	20,360	20,360	20,360	328,952
370: Outside Services	40,720	40,720	40,720	635,393
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	151
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	561	561	561	7,913
914: Pension and Benefits	1,289	1,289	1,289	18,598
915: Injuries and Damages	1,287	1,287	1,287	19,032
921: Stores Load	665	665	665	10,934
922: Minor Material Load	-	-	-	-
925: E&S Loads	10,650	10,650	10,650	122,215
926: A&G Loads	2,545	2,545	2,545	46,881
928: AFUDC Debt	1,220	1,412	1,604	11,931
929: AFUDC Equity	1,651	1,910	2,170	14,846
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(525,385)
825: Closing Cost of Removal	-	-	-	(8,527)
Project Net	87,736	88,186	88,639	781,646

Project No: 65007644 Transm Comm Improvement 2026-2030

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	98,711	6,787	6,787	6,787	119,072	6,654	6,654	6,654
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	328,952	20,360	20,360	20,360	390,032	19,961	19,961	19,961
370: Outside Services	635,393	40,720	40,720	40,720	757,553	39,922	39,922	39,922
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	151	-	-	-	151	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	7,913	561	561	561	9,595	550	550	550
914: Pension and Benefits	18,598	1,289	1,289	1,289	22,465	1,264	1,264	1,264
915: Injuries and Damages	19,032	1,287	1,287	1,287	22,892	1,262	1,262	1,262
921: Stores Load	10,934	665	665	665	12,930	652	652	652
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	122,215	10,650	10,650	10,650	154,166	10,442	10,442	10,442
926: A&G Loads	46,881	2,545	2,545	2,545	54,516	2,335	2,335	2,335
928: AFUDC Debt	11,931	1,798	1,992	2,188	17,909	89	267	446
929: AFUDC Equity	14,846	2,432	2,695	2,960	22,934	140	421	703
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(525,385)	-	-	(1,029,937)	(1,555,321)	-	-	-
825: Closing Cost of Removal	(8,527)	-	-	(20,367)	(28,894)	-	-	-
Project Net	781,646	89,094	89,552	(960,292)	0	83,270	83,729	84,191

Project No: **65007644** **Transm Comm Improvement 2026-2030**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	6,654	6,654	6,654	6,654	6,654	6,654	178,958
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	19,961	19,961	19,961	19,961	19,961	19,961	569,681
370: Outside Services	39,922	39,922	39,922	39,922	39,922	39,922	1,116,851
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	151
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	550	550	550	550	550	550	14,541
914: Pension and Benefits	1,264	1,264	1,264	1,264	1,264	1,264	33,837
915: Injuries and Damages	1,262	1,262	1,262	1,262	1,262	1,262	34,247
921: Stores Load	652	652	652	652	652	652	18,801
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	10,442	10,442	10,442	10,442	10,442	10,442	248,142
926: A&G Loads	2,335	2,335	2,335	2,335	2,335	2,335	75,535
928: AFUDC Debt	626	807	989	1,172	1,356	1,541	25,202
929: AFUDC Equity	987	1,273	1,560	1,849	2,140	2,432	34,440
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,555,321)
825: Closing Cost of Removal	-	-	-	-	-	-	(28,894)
Project Net	84,655	85,121	85,591	86,063	86,537	87,015	766,171

Project No: **65008018** **Transmission Communication Improvem**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Total System 100%

Estimated Start Date 4/10/2018

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to fund small ongoing communication station improvements. Specifically, this project will provide discretionary capital funding for replacement of aging equipment, station improvements, or system betterments. Examples of equipment to be purchased include Multiplexors, Heating and Cooling systems, Generators, Facliity alarm systems, Remote Terminal units.

Project No: **65008018** **Transmission Communication Improvem**

Project Need Justification

This funding project is needed to meet obligations to customers by providing safe and reliable equipment. Additionally, this project is necessary to meet safety requirements to PNM personnel and customers. Communications infrastructure is necessary for System operators to view and evaluate electric system and make adjustments over the air which reduces duration of outages.

Project No: **65008018** **Transmission Communication Improvem**

Project Alternatives

The only alternative is to do nothing. This alternative was not considered Without funding, small communication site enhancements would be grouped with larger funding projects. This grouping would delay necessary improvements and replacements of equipment that does not meet safety and regulatory requirements. Having the ability to these funds in emergent outages allows PNM to restore visibility to Operators and ensures they can manage electric grid efficently.

Project No: **65008018** **Transmission Communication Improvem**

Project Estimate Approach	This estimate is based on similar projects performed in the past. As this project is for emergent work and equipment, cost estimates will be gathered by supporting vendors and then a determination will be made on materials and support on a project-by-project basis. Once additional details are known, a decision will be made as to the use of internal or external labor.

Project No: **65008018** **Transmission Communication Improvem**

Customer Benefit	Customer benefit is derived through extending service life or replacing aging and functionally obsolete equipment and systems. This positively impacts system reliability by mitigating unplanned outages. This improvement to system reliability will benefit customers. Identifying legacy equipment and planning replacement prior to an emergent situation allows the system to continually function reducing outages by being proactive instead of reactive.

Project No: **65008018** **Transmission Communication Improvem**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65008018** **Transmission Communication Improvem**

General Services

Reliability & Resiliency

The project will provide discretionary capital funding for replacement of aging equipment, station improvements, or system betterments. This project positively impacts system reliability by addressing aging and functionally obsolete equipment. Identifying legacy equipment and planning replacement prior to an emergent situation allows the system to continually function reducing outages by being proactive instead of reactive.

Safety & Security

Technology Advancements

Project No: 65008018 Transmission Communication Improvem

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	99,217	-	-	-	-	-	-	99,217
120: Overtime-General	23,267	-	-	-	-	-	-	23,267
350: Material Issues-Major	650,682	-	-	-	-	-	-	650,682
370: Outside Services	563,254	-	-	-	-	-	-	563,254
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	47,250	-	-	-	-	-	-	47,250
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	9,543	-	-	-	-	-	-	9,543
914: Pension and Benefits	30,834	-	-	-	-	-	-	30,834
915: Injuries and Damages	9,202	-	-	-	-	-	-	9,202
921: Stores Load	3,585	-	-	-	-	-	-	3,585
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	74,060	-	-	-	-	-	-	74,060
926: A&G Loads	87,966	-	-	-	-	-	-	87,966
928: AFUDC Debt	35,886	105	-	-	-	-	-	35,990
929: AFUDC Equity	48,630	111	-	-	-	-	-	48,741
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,637,387)	(42,622)	-	-	-	-	-	(1,680,009)
825: Closing Cost of Removal	(3,582)	-	-	-	-	-	-	(3,582)
Project Net	42,406	(42,406)	-	-	-	-	-	0

Project No: **65008018** **Transmission Communication Improvem**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	99,217	-	-	-	-	-	-
120: Overtime-General	23,267	-	-	-	-	-	-
350: Material Issues-Major	650,682	-	-	-	-	-	-
370: Outside Services	563,254	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	47,250	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	9,543	-	-	-	-	-	-
914: Pension and Benefits	30,834	-	-	-	-	-	-
915: Injuries and Damages	9,202	-	-	-	-	-	-
921: Stores Load	3,585	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	74,060	-	-	-	-	-	-
926: A&G Loads	87,966	-	-	-	-	-	-
928: AFUDC Debt	35,990	-	-	-	-	-	-
929: AFUDC Equity	48,741	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(1,680,009)	-	-	-	-	-	-
825: Closing Cost of Removal	(3,582)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **65008018** **Transmission Communication Improvem**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	99,217
120: Overtime-General	-	-	-	23,267
350: Material Issues-Major	-	-	-	650,682
370: Outside Services	-	-	-	563,254
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	47,250
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	9,543
914: Pension and Benefits	-	-	-	30,834
915: Injuries and Damages	-	-	-	9,202
921: Stores Load	-	-	-	3,585
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	74,060
926: A&G Loads	-	-	-	87,966
928: AFUDC Debt	-	-	-	35,990
929: AFUDC Equity	-	-	-	48,741
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(1,680,009)
825: Closing Cost of Removal	-	-	-	(3,582)
Project Net	-	-	-	0

Project No: 65008018 Transmission Communication Improvem

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	99,217	-	-	-	99,217	-	-	-
120: Overtime-General	23,267	-	-	-	23,267	-	-	-
350: Material Issues-Major	650,682	-	-	-	650,682	-	-	-
370: Outside Services	563,254	-	-	-	563,254	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	47,250	-	-	-	47,250	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	9,543	-	-	-	9,543	-	-	-
914: Pension and Benefits	30,834	-	-	-	30,834	-	-	-
915: Injuries and Damages	9,202	-	-	-	9,202	-	-	-
921: Stores Load	3,585	-	-	-	3,585	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	74,060	-	-	-	74,060	-	-	-
926: A&G Loads	87,966	-	-	-	87,966	-	-	-
928: AFUDC Debt	35,990	-	-	-	35,990	-	-	-
929: AFUDC Equity	48,741	-	-	-	48,741	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,680,009)	-	-	-	(1,680,009)	-	-	-
825: Closing Cost of Removal	(3,582)	-	-	-	(3,582)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **65008018** **Transmission Communication Improvem**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	99,217
120: Overtime-General	-	-	-	-	-	-	23,267
350: Material Issues-Major	-	-	-	-	-	-	650,682
370: Outside Services	-	-	-	-	-	-	563,254
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	47,250
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	9,543
914: Pension and Benefits	-	-	-	-	-	-	30,834
915: Injuries and Damages	-	-	-	-	-	-	9,202
921: Stores Load	-	-	-	-	-	-	3,585
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	74,060
926: A&G Loads	-	-	-	-	-	-	87,966
928: AFUDC Debt	-	-	-	-	-	-	35,990
929: AFUDC Equity	-	-	-	-	-	-	48,741
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,680,009)
825: Closing Cost of Removal	-	-	-	-	-	-	(3,582)
Project Net	-	-	-	-	-	-	0

Project No: **65008021** **Transm Comm Improvement 2021-2025**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Total System 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 12/31/2030

Description

This project is to expand the radio communications network from 2021 to 2025. This will be achieved by building redundant communication paths, so that a single path outage will not result in loss of communication to transmission stations. As part of this project, telecommunications equipment and platforms that have reached the end-of-life will also be replaced.

Project No: **65008021** **Transm Comm Improvement 2021-2025**

Project Need Justification

Over the last 10 years, PNM's telecommunications network has grown from a low bandwidth point-to-point network, to a high bandwidth, path protected/ringed network. Microwave and radio outside plant and fiber optics, battery plants, monitoring equipment, new fiber optic routes, and other network elements have been installed to improve the reliability of the communications network.

While progress has been made, many opportunities for improvement to the network still exist. Also, network elements need to be replaced as they reach end-of-life. To ensure continuous improvement and that the network operates on new technology, meets security and compliance requirements, and replaces aging equipment, this process will require upgrades every 10-12 (the utility average of required upgrades).

The breakdown of the progress made and opportunities for improvement that will be addressed as part of this project include the following:
- M/W Replacements Phase 1 has 68 nodes completed and 0 nodes not-completed
- M/W Radio Replacements Phase 2 has 20 nodes completed and 48 nodes not-completed (caused by reliability ceasing operations)
- SONET Nodes has 81 nodes completed and 2 nodes not-completed
- Battery Plants/Power Upgrades has 28 sites completed and 6 sites not-completed
- Comm RTU's has 35 sites completed and 1 site not-completed
- Alternate Path Completions has 24 sites completed and 13 sites not-completed

Project No: **65008021** **Transm Comm Improvement 2021-2025**

Project Alternatives

The alternative is the do-nothing approach. If this were followed, existing equipment and platforms near the end of life would be operated until failure - which could cause damage to other equipment and to the reliability of the communications network. This is not an option due to the safety, compliance, and reliability efforts mandated by the New Mexico Public Regulation Commission (NMPRC), North American Electric Reliability Corporation (NERC), Federal Energy Regulatory Commission (FERC), and Occupational Safety and Health Administration (OSHA).

Project No: **65008021** **Transm Comm Improvement 2021-2025**

Project Estimate Approach	The estimate of the project accounts for the costs of replacement materials, engineering resources, PNM resources, installation, and the commissioning of the equipment.

Project No: **65008021** **Transm Comm Improvement 2021-2025**

Customer Benefit	This project improves the communications network which supports reliability and security efforts.

Project No:	**65008021 Transm Comm Improvement 2021-2025**
Primary Value Driver	Reliability & Resiliency
Compliance	Several regulatory organizations including NMPRC, NERC, FERC, and OSHA mandate reliability and safety efforts supported by this project.
Customer Delivery	This project improves the communications network which supports reliability and security efforts.
Energy Transition	

Project No: **65008021** **Transm Comm Improvement 2021-2025**

General Services

Reliability & Resiliency

By building redundant communication paths, a single path outage will not result in loss of communication to the transmission station. Replacement of end-of-life telecommunications equipment improves communications reliability.

Safety & Security

In remote areas of the PNM system, redundant communications paths increase the system communication availability in the case the single path is damaged or becomes inoperable.

Technology Advancements

Project No: 65008021 Transm Comm Improvement 2021-2025

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	386,746	-	-	-	-	-	-	386,746
120: Overtime-General	88,613	-	-	-	-	-	-	88,613
350: Material Issues-Major	2,416,178	-	-	-	-	-	-	2,416,178
370: Outside Services	1,096,493	62,500	62,500	62,500	62,500	62,500	62,500	1,471,493
374: Outside Services Legal	2,551	-	-	-	-	-	-	2,551
377: Outside Svcs-Temp Labor	1,621	-	-	-	(37,551)	-	-	(35,930)
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	118,532	-	-	-	-	-	-	118,532
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	36,559	-	-	-	-	-	-	36,559
914: Pension and Benefits	95,789	-	-	-	-	-	-	95,789
915: Injuries and Damages	66,024	-	-	-	-	-	-	66,024
921: Stores Load	10,162	-	-	-	-	-	-	10,162
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	281,222	3,594	3,594	3,594	1,435	3,594	3,594	300,625
926: A&G Loads	175,161	3,250	3,250	3,250	1,297	3,250	3,250	192,709
928: AFUDC Debt	84,818	754	942	1,129	1,260	1,391	1,609	91,904
929: AFUDC Equity	96,967	574	717	860	959	1,059	1,225	102,361
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(4,635,009)	-	-	-	-	-	(622,327)	(5,257,336)
825: Closing Cost of Removal	(82,507)	-	-	-	-	-	(4,473)	(86,980)
Project Net	239,920	70,672	71,002	71,333	29,901	71,794	(554,622)	(0)

Project No: **65008021** **Transm Comm Improvement 2021-2025**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	386,746	-	-	-	-	-	-
120: Overtime-General	88,613	-	-	-	-	-	-
350: Material Issues-Major	2,416,178	-	-	-	-	-	-
370: Outside Services	1,471,493	-	-	-	-	-	-
374: Outside Services Legal	2,551	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	(35,930)	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	118,532	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	36,559	-	-	-	-	-	-
914: Pension and Benefits	95,789	-	-	-	-	-	-
915: Injuries and Damages	66,024	-	-	-	-	-	-
921: Stores Load	10,162	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	300,625	-	-	-	-	-	-
926: A&G Loads	192,709	-	-	-	-	-	-
928: AFUDC Debt	91,904	-	-	-	-	-	-
929: AFUDC Equity	102,361	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(5,257,336)	-	-	-	-	-	-
825: Closing Cost of Removal	(86,980)	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **65008021** **Transm Comm Improvement 2021-2025**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	386,746
120: Overtime-General	-	-	-	88,613
350: Material Issues-Major	-	-	-	2,416,178
370: Outside Services	-	-	-	1,471,493
374: Outside Services Legal	-	-	-	2,551
377: Outside Svcs-Temp Labor	-	-	-	(35,930)
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	118,532
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	36,559
914: Pension and Benefits	-	-	-	95,789
915: Injuries and Damages	-	-	-	66,024
921: Stores Load	-	-	-	10,162
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	300,625
926: A&G Loads	-	-	-	192,709
928: AFUDC Debt	-	-	-	91,904
929: AFUDC Equity	-	-	-	102,361
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(5,257,336)
825: Closing Cost of Removal	-	-	-	(86,980)
Project Net	-	-	-	(0)

Project No: 65008021 Transm Comm Improvement 2021-2025

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	386,746	-	-	-	386,746	-	-	-
120: Overtime-General	88,613	-	-	-	88,613	-	-	-
350: Material Issues-Major	2,416,178	-	-	-	2,416,178	-	-	-
370: Outside Services	1,471,493	-	-	-	1,471,493	-	-	-
374: Outside Services Legal	2,551	-	-	-	2,551	-	-	-
377: Outside Svcs-Temp Labor	(35,930)	-	-	-	(35,930)	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	118,532	-	-	-	118,532	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	36,559	-	-	-	36,559	-	-	-
914: Pension and Benefits	95,789	-	-	-	95,789	-	-	-
915: Injuries and Damages	66,024	-	-	-	66,024	-	-	-
921: Stores Load	10,162	-	-	-	10,162	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	300,625	-	-	-	300,625	-	-	-
926: A&G Loads	192,709	-	-	-	192,709	-	-	-
928: AFUDC Debt	91,904	-	-	-	91,904	-	-	-
929: AFUDC Equity	102,361	-	-	-	102,361	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(5,257,336)	-	-	-	(5,257,336)	-	-	-
825: Closing Cost of Removal	(86,980)	-	-	-	(86,980)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65008021** **Transm Comm Improvement 2021-2025**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	386,746
120: Overtime-General	-	-	-	-	-	-	88,613
350: Material Issues-Major	-	-	-	-	-	-	2,416,178
370: Outside Services	-	-	-	-	-	-	1,471,493
374: Outside Services Legal	-	-	-	-	-	-	2,551
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	(35,930)
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	118,532
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	36,559
914: Pension and Benefits	-	-	-	-	-	-	95,789
915: Injuries and Damages	-	-	-	-	-	-	66,024
921: Stores Load	-	-	-	-	-	-	10,162
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	300,625
926: A&G Loads	-	-	-	-	-	-	192,709
928: AFUDC Debt	-	-	-	-	-	-	91,904
929: AFUDC Equity	-	-	-	-	-	-	102,361
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,257,336)
825: Closing Cost of Removal	-	-	-	-	-	-	(86,980)
Project Net	-	-	-	-	-	-	(0)

Project No: 65008325 LANL 115kV Interconnection

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County %		
	Los Alamos	50%
	Santa Fe	50%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

This is a Transmission Construction and Interconnection Agreement (TCIA) between the customer owned 115kV Norton to STA Station transmission line (SN Line) that will provide a new source to serve Los Alamos National Laboratory (LANL) and would require interconnection to the PNM Norton 115kV Switching Station (Norton interconnection).

The description of Transmission Provider's Interconnection Facilities (TPIF) work to be completed by PNM associated with the Norton interconnection is as follows:

1. The Norton 115kV Switching Station line termination facilities, including certain metering and protection equipment inside the Norton Switching Station
2. Infrastructure materials, equipment and installation for communications (fiber optic cable) between Norton 115kV switching station and the STA station
3. Protection and controls of the equipment for the new line facility
4. A motor operated disconnect switch on the Norton interconnection terminal
5. All required primary and back-up IN and OUT revenue class metering equipment with 5- minute demand intervals
6. MWh and MVARh register outputs, and dial-up remote meter reading capability
7. Metering instrument transformers will include one (1) set of three (3) 0.3% accuracy class single phase Capacitor Voltage Transformers (CVT) and one (1) set of three (3) 0.15% accuracy class single phase Current Transformer (CT), installed at the Point of Interconnection
8. Associated insulators and surge arrestors
9. Real-time access via PNM approved communications equipment SCADA
10. All related structures, foundations, relaying, and communications infrastructure.

Project No: 65008325 LANL 115kV Interconnection

Project Need Justification

Public Service Company of New Mexico (PNM) has executed an Interconnection Agreement with the customer for a new transmission line between the STA and Norton substations, designated as the “SN Line".

To accommodate this interconnection, PNM will implement the following station network upgrades at Norton Substation:

1. Replacement of two existing 115kV oil circuit breakers with new 115kV SF_6 circuit breakers.
2. Replacement of existing hand-operated disconnect switch 18861 utilizing the existing support structures.
3. Installation of associated protection, control, and communications equipment.

Project No: **65008325 LANL 115kV Interconnection**

Project Alternatives

No alternatives were considered as facility upgrades are required for the LANL Interconnection Project to interconnect with the PNM transmission system. The planned Transmission Provider Interconnection Facility (TPIF) and Substation Network Upgrades cost and scope of work have been evaluated by PNM engineering as the most efficient and cost effective method to provide the required interconnection service as specified within the LGIA, to maintain good utility practices, and ensure compliance with engineering and reliability requirements.

Project No: 65008325 LANL 115kV Interconnection

Project Estimate Approach	The project estimate was developed based on the approved project scope, signed Notice to Proceed documentation, and project transition information associated with the LANL interconnection. The estimate includes interconnection facilities, protection and control systems, metering, communications infrastructure, SCADA integration, and associated transmission equipment. Major assumptions include timely procurement of materials, engineering and construction execution within planned schedules, continued project funding, and coordination with LANL's readiness milestones. Internal engineering, sourcing, and project management resources will support the project, while specialized design and construction activities will be performed by external partners. Project contingency will be refined as project development progresses.

Project No: 65008325 LANL 115kV Interconnection

Customer Benefit	This project supports customer delivery by providing new transmission infrastructure necessary to serve Los Alamos National Laboratory's electrical requirements. The interconnection enhances system capacity, improves service reliability, and ensures the transmission network can support future customer and economic growth in the region.

Project No: 65008325 LANL 115kV Interconnection

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	The LANL 115kV interconnection enables PNM to meet significant customer load growth while maintaining reliable electric service for existing customers. The project increases transmission system capacity, supports continued economic development, and ensures the electric grid can safely and reliably accommodate future demand in northern New Mexico.
Energy Transition	

Project No: **65008325** **LANL 115kV Interconnection**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65008325 LANL 115kV Interconnection

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	4,568	24,000	24,000	12,000	11,000	11,000	11,000	97,568
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	970,000	-	-	970,000
370: Outside Services	-	95,000	95,000	95,000	1,000,000	1,000,000	1,000,000	3,285,000
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	(425,000)	(425,000)
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	348	1,829	1,829	914	838	838	838	7,435
914: Pension and Benefits	836	4,466	4,466	2,233	2,047	2,047	2,047	18,143
915: Injuries and Damages	904	4,752	4,752	2,376	2,178	2,178	2,178	19,318
921: Stores Load	-	-	-	-	41,594	-	-	41,594
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	7,298	7,478	7,478	6,470	114,199	58,424	58,424	259,769
926: A&G Loads	261	6,188	6,188	5,564	103,012	52,572	52,572	226,357
928: AFUDC Debt	20	209	557	884	3,753	7,847	10,098	23,367
929: AFUDC Equity	15	223	594	943	3,999	8,363	10,762	24,898
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	14,249	144,144	144,864	126,385	2,252,619	1,143,269	722,918	4,548,449

Project No: **65008325** **LANL 115kV Interconnection**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	97,568	5,000	5,000	5,000	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	970,000	-	201,936	-	-	-	-
370: Outside Services	3,285,000	1,000,000	1,000,000	1,000,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	(425,000)	(425,000)	(425,000)	(425,000)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	7,435	413	413	413	-	-	-
914: Pension and Benefits	18,143	950	950	950	-	-	-
915: Injuries and Damages	19,318	948	948	948	-	-	-
921: Stores Load	41,594	-	6,599	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	259,769	151,097	181,387	151,097	-	-	-
926: A&G Loads	226,357	37,688	45,260	37,688	-	-	-
928: AFUDC Debt	23,367	10,762	12,769	14,786	15,704	-	-
929: AFUDC Equity	24,898	14,560	17,274	20,003	21,245	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(7,094,320)	-	-
825: Closing Cost of Removal	-	-	-	-	(140,913)	-	-
Project Net	4,548,449	796,416	1,047,536	805,883	(7,198,284)	-	-

Project No: **65008325** **LANL 115kV Interconnection**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	112,568
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	1,171,936
370: Outside Services	-	-	-	6,285,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	(1,700,000)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	8,674
914: Pension and Benefits	-	-	-	20,992
915: Injuries and Damages	-	-	-	22,162
921: Stores Load	-	-	-	48,193
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	743,349
926: A&G Loads	-	-	-	346,992
928: AFUDC Debt	-	-	-	77,388
929: AFUDC Equity	-	-	-	97,979
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(7,094,320)
825: Closing Cost of Removal	-	-	-	(140,913)
Project Net	-	-	-	0

Project No: 65008325 LANL 115kV Interconnection

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	112,568	-	-	-	112,568	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,171,936	-	-	-	1,171,936	-	-	-
370: Outside Services	6,285,000	-	-	-	6,285,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(1,700,000)	-	-	-	(1,700,000)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	8,674	-	-	-	8,674	-	-	-
914: Pension and Benefits	20,992	-	-	-	20,992	-	-	-
915: Injuries and Damages	22,162	-	-	-	22,162	-	-	-
921: Stores Load	48,193	-	-	-	48,193	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	743,349	-	-	-	743,349	-	-	-
926: A&G Loads	346,992	-	-	-	346,992	-	-	-
928: AFUDC Debt	77,388	-	-	-	77,388	-	-	-
929: AFUDC Equity	97,979	-	-	-	97,979	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(7,094,320)	-	-	-	(7,094,320)	-	-	-
825: Closing Cost of Removal	(140,913)	-	-	-	(140,913)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **65008325** **LANL 115kV Interconnection**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	112,568
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,171,936
370: Outside Services	-	-	-	-	-	-	6,285,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	(1,700,000)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	8,674
914: Pension and Benefits	-	-	-	-	-	-	20,992
915: Injuries and Damages	-	-	-	-	-	-	22,162
921: Stores Load	-	-	-	-	-	-	48,193
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	743,349
926: A&G Loads	-	-	-	-	-	-	346,992
928: AFUDC Debt	-	-	-	-	-	-	77,388
929: AFUDC Equity	-	-	-	-	-	-	97,979
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(7,094,320)
825: Closing Cost of Removal	-	-	-	-	-	-	(140,913)
Project Net	-	-	-	-	-	-	0

Project No: 65008994 San Juan Solar

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % San Juan 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 8/30/2026

Description

On October 26, 2017, San Juan Solar Center 1 Energy applied to interconnect a solar with battery project to PNM's transmission system pursuant to PNM's Open Access Transmission Tariff (OATT). PNM and San Juan Solar 1 executed a Large Generator Interconnection Agreement (LGIA) on February 3, 2021. A day later (2/4/21), PNM received a Notice to Proceed with the design, procurement and construction of the Transmission Provider's Interconnection Facilities and network upgrades related to the San Juan Solar 1 LGIA.

This project includes construction of the new 345 kV SJ North Station and expansion and modifications to PNM's existing San Juan 345kV station. SJ North 345kV station will be interconnecting the new solar generation site and will be located immediately North of PNM's existing San Juan 345kV station within the San Juan Generating Station site. SJ North 345kV station will be a new 345kV single breaker station with the ability to expand to a six-terminal breaker-and-a-half configuration station. San Juan 345kV substation is an existing 345kV breaker-and-a-half station. Work in SJ North 345kV Station includes full construction of the station including site development and relay panel installation, wiring, and testing and commissioning. Work in San Juan 345kV station includes addition of one line terminal for connection to SJ North station and installation of one breaker to sectionalize the existing San Juan 345kV West bus.
Work includes one breaker at the new SJ North 345kV and three breakers in the existing San Juan 345kV station. All breakers have two disconnect switches included.

Project No: **65008994** **San Juan Solar**

Project Need Justification

This project is needed to connect a new 400 MW solar photovoltaic generating station and 100 MW battery energy storage facility to PNM’s transmission system. This type of interconnection project is required per PNM's OATT.

Project No: **65008994** **San Juan Solar**

Project Alternatives	The only alternative is do nothing. This is not a viable alternative as it would violate PNM's OATT.

Project No: **65008994** **San Juan Solar**

Project Estimate Approach	This project was estimated based on the costs of similar recent construction projects, and quotes for labor and materials.

Project No: **65008994** **San Juan Solar**

Customer Benefit	This project is to connect the generation source that is to be utilized as replacement power for the retired San Juan Plant and will provide a power source for all customers.

Project No: 65008994 San Juan Solar

Primary Value Driver	Energy Transition
Compliance	PNM is required to provide a point of interconnection to generation projects through a Large Generation Interconnection Agreement.
Customer Delivery	
Energy Transition	This project is needed to connect an additional 400 MW of renewables (solar photovoltaic) and 100 MW battery energy storage facility to PNM's transmission system.

Project No: **65008994** **San Juan Solar**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65008994 San Juan Solar

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	635,957	7,000	3,000	-	-	-	-	645,957
120: Overtime-General	39,559	-	-	-	-	-	-	39,559
350: Material Issues-Major	7,742,854	-	-	-	-	-	-	7,742,854
370: Outside Services	18,437,265	-	-	-	-	-	-	18,437,265
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	284	315	-	-	-	-	598
610: Expenses - General	753,190	-	-	-	-	-	-	753,190
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(3,583,875)	-	-	-	-	-	-	(3,583,875)
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	52,952	533	229	-	-	-	-	53,714
914: Pension and Benefits	148,895	1,303	558	-	-	-	-	150,756
915: Injuries and Damages	75,384	1,386	594	-	-	-	-	77,364
921: Stores Load	84,118	-	-	-	-	-	-	84,118
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,310,349	588	252	-	-	-	-	1,311,189
926: A&G Loads	1,114,272	364	156	-	-	-	-	1,114,792
928: AFUDC Debt	933	-	-	-	-	-	-	933
929: AFUDC Equity	807	-	-	-	-	-	-	807
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(26,751,246)	-	(85,853)	-	-	-	-	(26,837,099)
825: Closing Cost of Removal	-	-	7,878	-	-	-	-	7,878
Project Net	61,414	11,457	(72,871)	-	-	-	-	(0)

Project No: **65008994** **San Juan Solar**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	645,957	-	-	-	-	-	-
120: Overtime-General	39,559	-	-	-	-	-	-
350: Material Issues-Major	7,742,854	-	-	-	-	-	-
370: Outside Services	18,437,265	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	598	-	-	-	-	-	-
610: Expenses - General	753,190	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	(3,583,875)	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	53,714	-	-	-	-	-	-
914: Pension and Benefits	150,756	-	-	-	-	-	-
915: Injuries and Damages	77,364	-	-	-	-	-	-
921: Stores Load	84,118	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	1,311,189	-	-	-	-	-	-
926: A&G Loads	1,114,792	-	-	-	-	-	-
928: AFUDC Debt	933	-	-	-	-	-	-
929: AFUDC Equity	807	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(26,837,099)	-	-	-	-	-	-
825: Closing Cost of Removal	7,878	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **65008994** **San Juan Solar**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	645,957
120: Overtime-General	-	-	-	39,559
350: Material Issues-Major	-	-	-	7,742,854
370: Outside Services	-	-	-	18,437,265
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	598
610: Expenses - General	-	-	-	753,190
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	(3,583,875)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	53,714
914: Pension and Benefits	-	-	-	150,756
915: Injuries and Damages	-	-	-	77,364
921: Stores Load	-	-	-	84,118
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	1,311,189
926: A&G Loads	-	-	-	1,114,792
928: AFUDC Debt	-	-	-	933
929: AFUDC Equity	-	-	-	807
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(26,837,099)
825: Closing Cost of Removal	-	-	-	7,878
Project Net	-	-	-	(0)

Project No: 65008994 San Juan Solar

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	645,957	-	-	-	645,957	-	-	-
120: Overtime-General	39,559	-	-	-	39,559	-	-	-
350: Material Issues-Major	7,742,854	-	-	-	7,742,854	-	-	-
370: Outside Services	18,437,265	-	-	-	18,437,265	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	598	-	-	-	598	-	-	-
610: Expenses - General	753,190	-	-	-	753,190	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(3,583,875)	-	-	-	(3,583,875)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	53,714	-	-	-	53,714	-	-	-
914: Pension and Benefits	150,756	-	-	-	150,756	-	-	-
915: Injuries and Damages	77,364	-	-	-	77,364	-	-	-
921: Stores Load	84,118	-	-	-	84,118	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,311,189	-	-	-	1,311,189	-	-	-
926: A&G Loads	1,114,792	-	-	-	1,114,792	-	-	-
928: AFUDC Debt	933	-	-	-	933	-	-	-
929: AFUDC Equity	807	-	-	-	807	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(26,837,099)	-	-	-	(26,837,099)	-	-	-
825: Closing Cost of Removal	7,878	-	-	-	7,878	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65008994** **San Juan Solar**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	645,957
120: Overtime-General	-	-	-	-	-	-	39,559
350: Material Issues-Major	-	-	-	-	-	-	7,742,854
370: Outside Services	-	-	-	-	-	-	18,437,265
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	598
610: Expenses - General	-	-	-	-	-	-	753,190
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	(3,583,875)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	53,714
914: Pension and Benefits	-	-	-	-	-	-	150,756
915: Injuries and Damages	-	-	-	-	-	-	77,364
921: Stores Load	-	-	-	-	-	-	84,118
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	1,311,189
926: A&G Loads	-	-	-	-	-	-	1,114,792
928: AFUDC Debt	-	-	-	-	-	-	933
929: AFUDC Equity	-	-	-	-	-	-	807
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(26,837,099)
825: Closing Cost of Removal	-	-	-	-	-	-	7,878
Project Net	-	-	-	-	-	-	(0)

Project No: **65009030** **EP Line Termination**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

	County %		
		Total System	50%
		Valencia	50%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

Description

The purpose of this project is dual:
1. To negotiate the transfer of a portion of the existing West Mesa to Arroyo 345kV down from PNM's West Mesa 345kV station down to a location between PNM's Hidden Mtn and Belen stations. The transmission line is currently owned by El Paso Electric.
2. To connect this line into PNM's Hidden Mtn 345kV station (HiMo). This connection involves building a new bay in the existing Hidden Mtn 345kV station. This will be accomplished through the installation of three new 345kV breakers and associated bus work and related station equipment.

Project No: **65009030** **EP Line Termination**

Project Need Justification

PNM ownership of the line and its interconnection into PNM's Hidden Mountain station will provide additional transfer capability and improved reliability for existing wind generation coming from the eastern part of the state and additional generation planning to use capacity created through the proposed MidState 345kV transmission system. It also provides an additional source for loads served from Hidden Mtn during low wind times. This includes existing loads in Los Lunas, Belen, and surrounding communities.

Project No: **65009030** **EP Line Termination**

Project Alternatives

An alternative studied has been a new Pajarito to Hidden Mtn 345kV transmission line. The cost of the line would be in the range of $75M, which will be significantly above the cost of acquiring this line from EPE and its related cut in into Hidden Mountain substation. Line ownership also ensures PNM does not have to pay wheeling fees to use this line, reducing cost to customers in the long term.

Project No: **65009030** **EP Line Termination**

Project Estimate Approach	The basis of the estimate for the line acquisition portion of the project is preliminary negotiations with El Paso Electric. The cut in estimate is based on historical data of similar 345kV projects.

Project No: **65009030** **EP Line Termination**

Customer Benefit	This project benefits FERC customers by providing additional transfer capacity and improving the reliability of generation going through PNM's system. It benefits retail customers by providing an additional source for loads served from Hidden Mtn during low wind times. This includes existing loads in Los Lunas, Belen, and surrounding communities.

Project No: **65009030** **EP Line Termination**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65009030** **EP Line Termination**

General Services

Reliability & Resiliency

PNM ownership of the line and its interconnection into PNM's Hidden Mountain station will provide additional transfer capability and improved reliability for wind generation coming from the eastern part of the state by creating a second 345kV path from Hidden Mtn to West Mesa station (a 345kV hub in the metro area). It also provides an additional source for loads served from Hidden Mtn during low wind times. This includes existing loads in Los Lunas, Belen, and surrounding communities. Reducing the risk of outages to all customers in the area upon loss of the line to Albuquerque under low wind output.

Safety & Security

Technology Advancements

Project No: 65009030 EP Line Termination

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **65009030** **EP Line Termination**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	3,700,000	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	555,000	-
926: A&G Loads	-	-	-	-	-	138,750	-
928: AFUDC Debt	-	-	-	-	-	4,791	-
929: AFUDC Equity	-	-	-	-	-	6,481	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	(4,317,147)	-
825: Closing Cost of Removal	-	-	-	-	-	(87,875)	-
Project Net	-	-	-	-	-	-	-

Project No: **65009030** **EP Line Termination**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	-	-	-	3,700,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	555,000
926: A&G Loads	-	-	-	138,750
928: AFUDC Debt	-	-	-	4,791
929: AFUDC Equity	-	-	-	6,481
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(4,317,147)
825: Closing Cost of Removal	-	-	-	(87,875)
Project Net	-	-	-	-

Project No: 65009030 EP Line Termination

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	3,700,000	-	-	-	3,700,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	555,000	-	-	-	555,000	-	-	-
926: A&G Loads	138,750	-	-	-	138,750	-	-	-
928: AFUDC Debt	4,791	-	-	-	4,791	-	-	-
929: AFUDC Equity	6,481	-	-	-	6,481	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(4,317,147)	-	-	-	(4,317,147)	-	-	-
825: Closing Cost of Removal	(87,875)	-	-	-	(87,875)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **65009030** **EP Line Termination**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	3,700,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	555,000
926: A&G Loads	-	-	-	-	-	-	138,750
928: AFUDC Debt	-	-	-	-	-	-	4,791
929: AFUDC Equity	-	-	-	-	-	-	6,481
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(4,317,147)
825: Closing Cost of Removal	-	-	-	-	-	-	(87,875)
Project Net	-	-	-	-	-	-	-

Project No: **65009050** **Zia Substation Rebuild CO2**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Santa Fe 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2028

Description

The Zia Substation project involves replacing aging 115kV and 46kV oil-filled breakers and two aging-obsolete transformers with modern SF6 breakers and one new 80MVA transformer, while reconfiguring the 46kV bus for improved reliability. This upgrade addresses equipment beyond its service life, enhances fault isolation, and mitigates outage and fire risks for Santa Fe's critical transmission network.

Project No: 65009050 Zia Substation Rebuild CO2

Project Need Justification

Operational limitations—such as open switches preventing parallel transformer operation—have resulted in underutilization of the T3 transformer and reduced reliability of the 46kV system. These constraints have contributed to frequent outages and elevated System Average Interruption Duration Index (SAIDI) metrics, as well as increased fire hazards due to delayed fault isolation.

Project No: **65009050 Zia Substation Rebuild CO2**

Project Alternatives

The only alternative is the do-nothing approach. It is not viable: the substation's aging equipment, including oil-filled circuit breakers and transformers, has surpassed its expected service life and poses reliability and safety risks.

Project No: **65009050 Zia Substation Rebuild CO2**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material and internal and external labor, they used a 10% contingency.

Project No: **65009050 Zia Substation Rebuild CO2**

Customer Benefit	The project strengthens system resiliency, mitigates overload risks during peak demand or neighboring substation outages, and improves PNM's ability to maintain reliable service to Metro-area customers.

Project No: **65009050 Zia Substation Rebuild CO2**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65009050** **Zia Substation Rebuild CO2**

General Services

Reliability & Resiliency

Reduces the likelihood and duration of customer outages, and supports more efficient service restoration during unplanned events. The project provides long-term value to customers by improving reliability, protecting critical grid assets, and avoiding higher costs associated with emergency repairs and service interruptions.

Safety & Security

Technology Advancements

Project No: 65009050 Zia Substation Rebuild CO2

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	7,330	7,330	333,425	27,330	310,610	100,000	786,025
370: Outside Services	172,718	-	10,000	35,000	35,000	384,488	313,488	950,694
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	493	314	314	14,297	1,172	13,319	4,288	34,198
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	3,384	421	996	21,184	3,584	39,968	23,776	93,314
926: A&G Loads	3,105	381	901	19,158	3,241	36,145	21,501	84,433
928: AFUDC Debt	1,397	416	452	989	1,590	2,631	4,153	11,627
929: AFUDC Equity	1,218	443	481	1,054	1,695	2,804	4,426	12,120
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	182,315	9,305	20,475	425,107	73,612	789,966	471,631	1,972,412

Project No: **65009050** **Zia Substation Rebuild CO2**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	786,025	957,024	49,830	109,830	149,830	94,830	107,330
370: Outside Services	950,694	80,000	333,525	469,525	383,525	504,525	198,525
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	34,198	31,276	1,628	3,589	4,896	3,099	3,508
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	93,314	155,554	57,503	86,903	80,003	89,903	45,878
926: A&G Loads	84,433	38,888	14,376	21,726	20,001	22,476	11,470
928: AFUDC Debt	11,627	5,647	7,552	854	2,309	3,796	4,995
929: AFUDC Equity	12,120	7,640	10,216	1,156	3,123	5,136	6,758
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	(3,590,251)	-	-	-	-
825: Closing Cost of Removal	-	-	(86,653)	-	-	-	-
Project Net	1,972,412	1,276,028	(3,202,274)	693,583	643,688	723,765	378,464

Project No: **65009050** **Zia Substation Rebuild CO2**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	85,000	2,339,699
370: Outside Services	168,525	472,050	607,050	4,167,944
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	2,778	84,972
922: Minor Material Load	-	-	-	-
925: E&S Loads	25,279	70,808	103,808	808,952
926: A&G Loads	6,320	17,702	25,952	263,343
928: AFUDC Debt	5,640	6,498	8,043	56,961
929: AFUDC Equity	7,629	8,791	10,881	73,450
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(3,590,251)
825: Closing Cost of Removal	-	-	-	(86,653)
Project Net	213,392	575,849	843,510	4,118,418

Project No: 65009050 Zia Substation Rebuild CO2

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	2,339,699	25,000	42,500	12,500	2,419,699	612,190	-	-
370: Outside Services	4,167,944	557,050	557,050	377,050	5,659,094	567,013	538,525	553,525
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	84,972	817	1,389	409	87,586	20,006	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	808,952	87,308	89,933	58,433	1,044,625	176,880	80,779	83,029
926: A&G Loads	263,343	21,827	22,483	14,608	322,261	41,390	18,902	19,429
928: AFUDC Debt	56,961	9,738	11,322	12,664	90,685	14,490	16,769	18,247
929: AFUDC Equity	73,450	13,175	15,317	17,132	119,073	22,861	26,457	28,788
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(3,590,251)	-	-	-	(3,590,251)	-	-	-
825: Closing Cost of Removal	(86,653)	-	-	-	(86,653)	-	-	-
Project Net	4,118,418	714,914	739,993	492,795	6,066,120	1,454,832	681,432	703,018

Project No: **65009050** **Zia Substation Rebuild CO2**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	3,031,889
370: Outside Services	688,525	615,000	615,000	435,000	435,000	435,000	10,541,682
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	107,593
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	103,279	92,250	92,250	65,250	65,250	65,250	1,868,841
926: A&G Loads	24,167	21,587	21,587	15,269	15,269	15,269	515,128
928: AFUDC Debt	19,923	3,355	4,932	6,290	7,427	8,571	190,690
929: AFUDC Equity	31,433	5,293	7,781	9,923	11,718	13,523	276,851
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(8,403,064)	-	-	-	-	-	(11,993,315)
825: Closing Cost of Removal	(165,663)	-	-	-	-	-	(252,317)
Project Net	(7,701,401)	737,484	741,549	531,732	534,664	537,612	4,287,042

Project No: 65009126 Central 115-12kV Substation Rebuild

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 7/31/2027

Description

The primary objective is to replace the existing 22.4 MVA Central Substation Transformer and associated switchgear with a single PNM standard 33.7 MVA transformer and switchgear with four (4) new feeder availability. During the 2024 peak season, the Central Transformer was loaded to 74% of its normal rating; however the Central Substation area has recently experienced considerable load growth. A new customer request to add an additional 3.6 MW of load is expected to come online by April 2027. This additional load will increase the existing Central Substation transformer load rating to 90% (20.11 MVA) which exceeds the planning study rating of 80% for long term use and contingency. In order to prevent transformer overloading and continue to provide reliable power in the area, the transformer and switchgear need to be upgraded to resolve the planning criteria violation and provide capacity for additional growth.

Project No: 65009126 Central 115-12kV Substation Rebuild

Project Need Justification

The purpose of this project is to upgrade the existing facilities to increase loading capabilities to serve new economic development customers and increased load. With the new 3.6MW economic development load that is planned to be energized in April of 2027 the anticipated transformer load will be 20MW which is close to exceeding the current transformer rating. In order to reliably serve existing customers and future economic project requests, it is essential to upgrade the existing transformer and switchgear.

Project No: **65009126** **Central 115-12kV Substation Rebuild**

Project Alternatives

The only alternative is "do nothing" which will not suffice. PNM is required to provide service within its service territory, and the planned new customer load will cause the existing transformer to come close to exceeding its rating.

Project No: **65009126 Central 115-12kV Substation Rebuild**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **65009126 Central 115-12kV Substation Rebuild**

Customer Benefit	The transformer upgrade will improve the substation's ability to serve existing customer demand while accommodating future load growth, reducing the risk of equipment overloads and service interruptions. By strengthening this critical component of the distribution network, the project helps ensure customers receive safe, reliable electric service and improves system performance during both normal operations and contingency conditions. The investment also supports faster restoration efforts during outages and helps maintain long-term service quality for customers connected to the Central Substation service area.

Project No: 65009126 Central 115-12kV Substation Rebuild

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	Customers will benefit from a more resilient and dependable electric system, with improved service continuity during peak demand periods and system contingencies. The project also supports future customer growth by increasing available capacity and reducing constraints on the network. In addition, the upgrade will help minimize outage frequency and duration, improve restoration capabilities when outages occur, and contribute to maintaining safe, reliable, and high-quality electric service for the customers served by Central Substation.
Energy Transition	

Project No: **65009126** **Central 115-12kV Substation Rebuild**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65009126 Central 115-12kV Substation Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	1,000	50,000	10,000	10,000	10,000	10,000	91,000
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	3,263,114	-	-	-	-	3,263,114
370: Outside Services	-	-	655,909	290,909	290,909	290,909	790,909	2,319,545
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	76	3,810	762	762	762	762	6,934
914: Pension and Benefits	-	186	9,305	1,861	1,861	1,861	1,861	16,935
915: Injuries and Damages	-	198	9,900	1,980	1,980	1,980	1,980	18,018
921: Stores Load	-	-	139,922	-	-	-	-	139,922
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	84	229,542	17,567	17,567	17,567	46,317	328,644
926: A&G Loads	-	52	206,389	15,647	15,647	15,647	41,647	295,030
928: AFUDC Debt	-	2	5,525	11,483	12,360	13,242	14,799	57,410
929: AFUDC Equity	-	2	5,888	12,238	13,173	14,113	15,772	61,185
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	1,600	4,579,304	362,447	364,259	366,081	924,047	6,597,739

Project No: **65009126** **Central 115-12kV Substation Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	91,000	10,000	10,000	10,000	10,000	10,000	10,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	3,263,114	-	70,000	-	-	-	-
370: Outside Services	2,319,545	290,909	290,909	290,909	290,909	290,909	790,909
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	6,934	826	826	826	826	826	826
914: Pension and Benefits	16,935	1,899	1,899	1,899	1,899	1,899	1,899
915: Injuries and Damages	18,018	1,896	1,896	1,896	1,896	1,896	1,896
921: Stores Load	139,922	-	2,288	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	328,644	45,830	56,330	45,830	45,830	45,830	120,830
926: A&G Loads	295,030	11,284	13,909	11,284	11,284	11,284	30,034
928: AFUDC Debt	57,410	14,788	15,750	16,716	17,594	18,477	20,012
929: AFUDC Equity	61,185	20,006	21,307	22,614	23,802	24,997	27,073
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	6,597,739	397,438	485,113	401,974	404,040	406,118	1,003,479

Project No: **65009126** **Central 115-12kV Substation Rebuild**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	151,000
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	3,333,114
370: Outside Services	-	-	-	4,565,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	11,890
914: Pension and Benefits	-	-	-	28,329
915: Injuries and Damages	-	-	-	29,394
921: Stores Load	-	-	-	142,210
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	689,121
926: A&G Loads	-	-	-	384,110
928: AFUDC Debt	21,160	-	-	181,907
929: AFUDC Equity	28,626	-	-	229,610
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	(9,559,002)	-	-	(9,559,002)
825: Closing Cost of Removal	(186,683)	-	-	(186,683)
Project Net	(9,695,900)	-	-	(0)

Project No: 65009126 Central 115-12kV Substation Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	151,000	-	-	-	151,000	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	3,333,114	-	-	-	3,333,114	-	-	-
370: Outside Services	4,565,000	-	-	-	4,565,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	11,890	-	-	-	11,890	-	-	-
914: Pension and Benefits	28,329	-	-	-	28,329	-	-	-
915: Injuries and Damages	29,394	-	-	-	29,394	-	-	-
921: Stores Load	142,210	-	-	-	142,210	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	689,121	-	-	-	689,121	-	-	-
926: A&G Loads	384,110	-	-	-	384,110	-	-	-
928: AFUDC Debt	181,907	-	-	-	181,907	-	-	-
929: AFUDC Equity	229,610	-	-	-	229,610	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(9,559,002)	-	-	-	(9,559,002)	-	-	-
825: Closing Cost of Removal	(186,683)	-	-	-	(186,683)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65009126** **Central 115-12kV Substation Rebuild**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	151,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	3,333,114
370: Outside Services	-	-	-	-	-	-	4,565,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	11,890
914: Pension and Benefits	-	-	-	-	-	-	28,329
915: Injuries and Damages	-	-	-	-	-	-	29,394
921: Stores Load	-	-	-	-	-	-	142,210
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	689,121
926: A&G Loads	-	-	-	-	-	-	384,110
928: AFUDC Debt	-	-	-	-	-	-	181,907
929: AFUDC Equity	-	-	-	-	-	-	229,610
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(9,559,002)
825: Closing Cost of Removal	-	-	-	-	-	-	(186,683)
Project Net	-	-	-	-	-	-	(0)

Project No: 65009319 Palomas Station-Transmission

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 4/1/2019

Estimated Completion Date 12/31/2031

Description

PNM plans on building a three breaker, two unit substation in the northeast area of Albuquerque, NM. The project includes the new substation, two transformers, upgraded distribution, and a new 115kV transmission line. This project consists of the transmission portion of these facilities.

Project No: 65009319 Palomas Station-Transmission

Project Need Justification

Current PNM substations and feeders serving the target area are at or exceeding capacity. There has been significant growth in this area with the addition of both residential and commercial development. From 2002 to the 2009 peak, the area load increased by approximately 19 MVA. From 2009 to the 2020 peak, the load has grown an additional 10.8 MVA, which is on track for the projected load growth and brings the current total load in the area to 29.8 MVA. Existing facilities are currently at or near capacity, and delaying or deferring this project increases the risk that infrastructure improvements will not be available in time to support anticipated load growth and maintain reliable service.

Project No: **65009319** **Palomas Station-Transmission**

Project Alternatives

Project alternatives were reviewed through distribution planning studies. Of the alternatives studied, construction of a new substation was determined to be the most effective solution for addressing existing capacity constraints and supporting future growth in the area. Securing the site early avoids delays to design, permitting, and construction activities which would impact PNM's ability to deliver additional capacity when required.

An alternative considered was constructing an express feeder from nearby substations, which would require upgrades to the Hamilton 1, Hamilton 2, and Tramway substations. This alternative was not preferred because the anticipated load is located in the far northeast portion of the service area, making service from the existing substations less effective than constructing a new substation closer to the load.

Project No: **65009319** **Palomas Station-Transmission**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material and internal and external labor, they used a 10% contingency.

Project No: **65009319** **Palomas Station-Transmission**

Customer Benefit	This project expands system capacity, improves reliability, and supports economic growth in the North Albuquerque Acres area while minimizing future service impacts and construction challenges. This investment helps position the electric system to continue providing safe, reliable, and resilient service to customers in the service area.

Project No: **65009319** **Palomas Station-Transmission**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65009319** **Palomas Station-Transmission**

General Services

Reliability & Resiliency

The future substation will provide additional system capacity, improve grid resiliency, and support new customer connections, helping ensure safe, reliable, and cost-effective service for both existing and future customers. The new substation will reduce the risk of needing to shed load during high load times and will also reduce the stress on existing equipment.

Safety & Security

Technology Advancements

Project No: 65009319 Palomas Station-Transmission

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	278,681	-	-	-	-	-	-	278,681
120: Overtime-General	6,398	-	-	-	-	-	-	6,398
350: Material Issues-Major	1,620,799	-	-	-	-	-	-	1,620,799
370: Outside Services	675,051	-	-	-	-	-	-	675,051
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,021	-	-	-	-	-	-	1,021
805: Land and Land Rights	1,436,749	-	-	-	-	-	-	1,436,749
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	21,808	-	-	-	-	-	-	21,808
914: Pension and Benefits	65,551	-	-	-	-	-	-	65,551
915: Injuries and Damages	22,732	-	-	-	-	-	-	22,732
921: Stores Load	6,025	-	-	-	-	-	-	6,025
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	134,655	-	-	-	-	-	-	134,655
926: A&G Loads	129,464	-	-	-	-	-	-	129,464
928: AFUDC Debt	295,230	10,141	-	-	-	-	-	305,371
929: AFUDC Equity	296,780	10,808	-	-	-	-	-	307,588
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(879,430)	(4,132,465)	-	-	-	-	-	(5,011,895)
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	4,111,516	(4,111,516)	-	-	-	-	-	(0)

Project No: **65009319** **Palomas Station-Transmission**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	278,681	-	-	-	-	-	-
120: Overtime-General	6,398	-	-	-	-	-	-
350: Material Issues-Major	1,620,799	-	-	-	-	-	-
370: Outside Services	675,051	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	1,021	-	-	-	-	-	-
805: Land and Land Rights	1,436,749	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	21,808	-	-	-	-	-	-
914: Pension and Benefits	65,551	-	-	-	-	-	-
915: Injuries and Damages	22,732	-	-	-	-	-	-
921: Stores Load	6,025	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	134,655	-	-	-	-	-	-
926: A&G Loads	129,464	-	-	-	-	-	-
928: AFUDC Debt	305,371	-	-	-	-	-	-
929: AFUDC Equity	307,588	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(5,011,895)	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **65009319** **Palomas Station-Transmission**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	278,681
120: Overtime-General	-	-	-	6,398
350: Material Issues-Major	-	-	-	1,620,799
370: Outside Services	-	-	-	675,051
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	1,021
805: Land and Land Rights	-	-	-	1,436,749
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	21,808
914: Pension and Benefits	-	-	-	65,551
915: Injuries and Damages	-	-	-	22,732
921: Stores Load	-	-	-	6,025
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	134,655
926: A&G Loads	-	-	-	129,464
928: AFUDC Debt	-	-	-	305,371
929: AFUDC Equity	-	-	-	307,588
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(5,011,895)
825: Closing Cost of Removal	-	-	-	-
Project Net	-	-	-	(0)

Project No: 65009319 Palomas Station-Transmission

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	278,681	-	-	-	278,681	10,000	10,000	10,000
120: Overtime-General	6,398	-	-	-	6,398	-	-	-
350: Material Issues-Major	1,620,799	-	-	-	1,620,799	-	-	-
370: Outside Services	675,051	-	-	-	675,051	523,660	523,660	523,660
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,021	-	-	-	1,021	-	-	-
805: Land and Land Rights	1,436,749	-	-	-	1,436,749	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	21,808	-	-	-	21,808	826	826	826
914: Pension and Benefits	65,551	-	-	-	65,551	1,899	1,899	1,899
915: Injuries and Damages	22,732	-	-	-	22,732	1,896	1,896	1,896
921: Stores Load	6,025	-	-	-	6,025	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	134,655	-	-	-	134,655	80,742	80,742	80,742
926: A&G Loads	129,464	-	-	-	129,464	18,731	18,731	18,731
928: AFUDC Debt	305,371	-	-	-	305,371	682	2,049	3,424
929: AFUDC Equity	307,588	-	-	-	307,588	1,076	3,233	5,402
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(5,011,895)	-	-	-	(5,011,895)	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	(0)	-	-	-	(0)	639,512	643,036	646,581

Project No: **65009319** **Palomas Station-Transmission**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	10,000	10,000	10,000	10,000	10,000	10,000	368,681
120: Overtime-General	-	-	-	-	-	-	6,398
350: Material Issues-Major	-	-	-	-	-	-	1,620,799
370: Outside Services	523,660	523,660	523,660	523,660	523,660	523,660	5,387,991
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	1,021
805: Land and Land Rights	-	-	-	-	-	-	1,436,749
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	826	826	826	826	826	826	29,242
914: Pension and Benefits	1,899	1,899	1,899	1,899	1,899	1,899	82,642
915: Injuries and Damages	1,896	1,896	1,896	1,896	1,896	1,896	39,796
921: Stores Load	-	-	-	-	-	-	6,025
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	80,742	80,742	80,742	80,742	80,742	80,742	861,335
926: A&G Loads	18,731	18,731	18,731	18,731	18,731	18,731	298,047
928: AFUDC Debt	4,807	6,197	7,595	9,002	10,416	11,838	361,380
929: AFUDC Equity	7,584	9,777	11,983	14,202	16,433	18,676	395,954
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,011,895)
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	650,145	653,729	657,333	660,958	664,603	668,269	5,884,166

Project No: **65009424** **Valencia Substation Rebuild - Trans**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % San Miguel 100%

Estimated Start Date 2/1/2025

Estimated Completion Date 2/28/2027

Description

This project will construct a new Valencia Substation at the existing Las Vegas Division Valencia Switching Station to replace the Baca Substation. The project scope also includes a complete rebuild of the Valencia Switching Station and removal of the existing 46 kV BC transmission line

Project No: 65009424 Valencia Substation Rebuild - Trans

Project Need Justification

The existing Baca, 46-12.47kV, 6.25MVA unit was taken offline after inspection and testing in October 2021. Results from the testing showed high dissolved combustible gasses. PNM personnel concluded that the unit cannot be placed back into service. In May 2022, the load normally served by the Baca Substation was transferred to the 7 MVA mobile substation.

The Valencia substation will provide additional substation transformer and feeder capacity to the Las Vegas area for normal and emergency conditions. Relocation of the transformer capacity from the existing 46kV Baca Substation location to the 115kV Valencia switching station and constructing three feeders allows for area feeder reconfiguration to mitigate existing Range B voltages on the existing Arriba 11, Gallinas 11 and Gallinas 12 feeders during normal peak conditions. Installation of the new substation at the 115kV switching station will also enable the removal of the 46kV BC transmission line which was a radial feed to the Baca Substation location.

The existing Valencia switching station rebuild will increase reliability with a breaker ring configuration and removal of non-standard and aging equipment. The existing breakers are 43 and 49 years old, which is past the end of their useful life.

Project No: **65009424** **Valencia Substation Rebuild - Trans**

Project Alternatives

Alternative: Continue maintaining existing equipment and defer station rebuild.
Reason Not Selected: The existing breakers have surpassed their useful life, increasing the likelihood of equipment failure and customer outages. Maintenance alone cannot provide the reliability, redundancy, or operational flexibility achieved through the proposed breaker ring configuration and replacement of aging infrastructure.

Project No: **65009424** **Valencia Substation Rebuild - Trans**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **65009424** **Valencia Substation Rebuild - Trans**

Customer Benefit

The new substation configuration will enhance operational flexibility and strengthen system resiliency during equipment outages, maintenance activities, and abnormal operating conditions. By replacing outdated infrastructure with modern equipment, the project will reduce the likelihood of prolonged outages, improve restoration capabilities, and provide a more robust and dependable source of electric service for the community. This investment supports long-term system reliability by ensuring the network can continue to deliver safe and consistent service while accommodating future operational and load requirements.

Project No: **65009424** **Valencia Substation Rebuild - Trans**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65009424** **Valencia Substation Rebuild - Trans**

General Services

Reliability & Resiliency

The Valencia Substation rebuild improves reliability and resiliency by replacing aging 46 kV infrastructure and the existing Baca Substation with a modern 12.47 kV unit substation. The project reduces the risk of equipment failures, enhances operational flexibility, improves outage restoration capabilities, and provides a more resilient electric system capable of delivering reliable service to customers in the Las Vegas area.

Safety & Security

Technology Advancements

Project No: 65009424 Valencia Substation Rebuild - Trans

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	229,728	9,709	9,709	9,709	9,709	19,417	19,417	307,398
120: Overtime-General	36,988	-	-	-	-	-	-	36,988
350: Material Issues-Major	29,775	-	187,901	-	-	-	-	217,676
370: Outside Services	7,229,170	696,354	696,354	591,687	233,980	26,184	971	9,474,700
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	60,369	-	-	-	-	-	-	60,369
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	20,480	740	740	740	740	1,480	1,480	26,399
914: Pension and Benefits	46,868	1,807	1,807	1,807	1,807	3,614	3,614	61,323
915: Injuries and Damages	53,141	1,922	1,922	1,922	1,922	3,845	3,845	68,520
921: Stores Load	19,043	-	8,057	-	-	-	-	27,100
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	466,831	40,856	51,660	34,837	14,269	3,136	1,686	613,275
926: A&G Loads	376,691	36,715	46,486	31,273	12,672	2,371	1,060	507,268
928: AFUDC Debt	114,984	22,598	24,879	27,033	28,315	28,864	29,123	275,795
929: AFUDC Equity	91,444	24,083	26,515	28,810	30,177	30,762	31,038	262,829
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(11,883,001)	(11,883,001)
825: Closing Cost of Removal	-	-	-	-	-	-	(56,639)	(56,639)
Project Net	8,775,512	834,784	1,056,031	727,817	333,590	119,672	(11,847,407)	(0)

Project No: **65009424** **Valencia Substation Rebuild - Trans**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	307,398	5,000	5,000	-	-	-	-
120: Overtime-General	36,988	-	-	-	-	-	-
350: Material Issues-Major	217,676	-	-	-	-	-	-
370: Outside Services	9,474,700	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	60,369	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	26,399	413	413	-	-	-	-
914: Pension and Benefits	61,323	950	950	-	-	-	-
915: Injuries and Damages	68,520	948	948	-	-	-	-
921: Stores Load	27,100	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	613,275	1,097	1,097	-	-	-	-
926: A&G Loads	507,268	188	188	-	-	-	-
928: AFUDC Debt	275,795	9	28	-	-	-	-
929: AFUDC Equity	262,829	13	38	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(11,883,001)	-	(16,934)	-	-	-	-
825: Closing Cost of Removal	(56,639)	-	(344)	-	-	-	-
Project Net	(0)	8,617	(8,617)	-	-	-	-

Project No: **65009424** **Valencia Substation Rebuild - Trans**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	317,398
120: Overtime-General	-	-	-	36,988
350: Material Issues-Major	-	-	-	217,676
370: Outside Services	-	-	-	9,474,700
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	60,369
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	27,225
914: Pension and Benefits	-	-	-	63,222
915: Injuries and Damages	-	-	-	70,416
921: Stores Load	-	-	-	27,100
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	615,468
926: A&G Loads	-	-	-	507,643
928: AFUDC Debt	-	-	-	275,832
929: AFUDC Equity	-	-	-	262,879
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(11,899,934)
825: Closing Cost of Removal	-	-	-	(56,982)
Project Net	-	-	-	(0)

Project No: 65009424 Valencia Substation Rebuild - Trans

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	317,398	-	-	-	317,398	-	-	-
120: Overtime-General	36,988	-	-	-	36,988	-	-	-
350: Material Issues-Major	217,676	-	-	-	217,676	-	-	-
370: Outside Services	9,474,700	-	-	-	9,474,700	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	60,369	-	-	-	60,369	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	27,225	-	-	-	27,225	-	-	-
914: Pension and Benefits	63,222	-	-	-	63,222	-	-	-
915: Injuries and Damages	70,416	-	-	-	70,416	-	-	-
921: Stores Load	27,100	-	-	-	27,100	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	615,468	-	-	-	615,468	-	-	-
926: A&G Loads	507,643	-	-	-	507,643	-	-	-
928: AFUDC Debt	275,832	-	-	-	275,832	-	-	-
929: AFUDC Equity	262,879	-	-	-	262,879	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(11,899,934)	-	-	-	(11,899,934)	-	-	-
825: Closing Cost of Removal	(56,982)	-	-	-	(56,982)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65009424** **Valencia Substation Rebuild - Trans**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	317,398
120: Overtime-General	-	-	-	-	-	-	36,988
350: Material Issues-Major	-	-	-	-	-	-	217,676
370: Outside Services	-	-	-	-	-	-	9,474,700
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	60,369
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	27,225
914: Pension and Benefits	-	-	-	-	-	-	63,222
915: Injuries and Damages	-	-	-	-	-	-	70,416
921: Stores Load	-	-	-	-	-	-	27,100
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	615,468
926: A&G Loads	-	-	-	-	-	-	507,643
928: AFUDC Debt	-	-	-	-	-	-	275,832
929: AFUDC Equity	-	-	-	-	-	-	262,879
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(11,899,934)
825: Closing Cost of Removal	-	-	-	-	-	-	(56,982)
Project Net	-	-	-	-	-	-	(0)

Project No: 65009440 Sun Lasso Interconnection

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2027

Description

The purpose of this project is to facilitate the interconnection of the Sun Lasso ESS Project, a new 152.5 MW battery energy storage system (BESS) Large Generating Facility, with PNM's existing transmission system as a network resource. To accommodate the additional generation interconnection and existing and anticipated loads, PNM will construct a new 115 kV substation, known as Sunset Gardens Substation, in Albuquerque, New Mexico. This project will allow PNM to maintain and enhance system reliability by installing equipment necessary to comply with good utility practice and applicable engineering and reliability standard.

Construction is expected to begin in October 2026, with an anticipated in-service date of June 2027.

Customer executed a Large Generator Interconnection Agreement (LGIA) with PNM on February 26, 2025. This original LGIA incorporated all requirements for interconnection of the battery storage facility to the PNM transmission system, including the cost and construction schedule estimates for the facilities needed to physically and electrically interconnect the battery storage to the PNM transmission system.

Project No: 65009440 Sun Lasso Interconnection

Project Need Justification

This project provides the required transmission network upgrades to facilitate the interconnection of the 152.5 MW Sun Lasso Energy Storage System (ESS) at the Sunset Gardens 115kV Substation in Albuquerque, New Mexico. The upgrades are necessary to accommodate the new resource and maintain reliable operation of the PNM transmission system in accordance with interconnection and planning requirements.

The project supports PNM's strategy to expand energy storage resources, enhance grid reliability and operational flexibility, and advance state clean energy objectives. Completion of the project will enable integration of the Sun Lasso ESS as a network resource, supporting system reliability and contributing to New Mexico's goal of achieving a carbon-free electric system by 2045.

Project No: **65009440** **Sun Lasso Interconnection**

Project Alternatives

No alternatives were considered as facility upgrades are required for the Sun Lasso Interconnection Project to interconnect with the PNM transmission system. The planned Transmission Provider Interconnection Facility (TPIF) and Substation Network Upgrades cost and scope of work have been evaluated by PNM Engineering as the most efficient and cost effective method to provide the required interconnection service as specified within the LGIA, to maintain good utility practices, and ensure compliance with engineering and reliability requirements.

Project No: **65009440** **Sun Lasso Interconnection**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **65009440** **Sun Lasso Interconnection**

Customer Benefit	The Sun Lasso Interconnection project supports customer delivery by enabling the integration of a new 152.5 MW Battery Energy Storage System (BESS) into PNM's transmission network through the construction of the new Sunset Gardens 115 kV Substation and associated network upgrades. The project increases available energy resources and improves PNM's ability to serve customer demand during peak load periods and system contingencies. By adding flexible energy storage capacity and strengthening the transmission system, the project enhances operational reliability, supports future load growth, and helps ensure customers receive safe, reliable, and resilient electric service

Project No: **65009440 Sun Lasso Interconnection**

Primary Value Driver Customer Delivery

Compliance

Customer Delivery Customer delivery value driver is to interconnect a new customer.

Energy Transition

Project No: **65009440** **Sun Lasso Interconnection**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65009440 Sun Lasso Interconnection

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	20,495	9,709	9,709	9,709	9,709	9,709	9,709	78,747
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	160,446	-	524,272	-	970,874	1,941,748	621,359	4,218,698
370: Outside Services	9,025	253,392	143,690	143,690	143,690	748,682	1,384,605	2,826,776
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	695	-	-	-	-	-	-	695
805: Land and Land Rights	-	1,262,136	-	-	-	-	-	1,262,136
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,562	740	740	740	740	740	740	6,001
914: Pension and Benefits	3,749	1,807	1,807	1,807	1,807	1,807	1,807	14,590
915: Injuries and Damages	4,058	1,922	1,922	1,922	1,922	1,922	1,922	15,592
921: Stores Load	503	-	22,481	-	41,631	83,262	26,644	174,521
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	10,807	15,385	39,223	9,077	64,903	155,515	116,158	411,069
926: A&G Loads	9,503	79,312	35,239	7,977	58,462	140,407	104,815	435,715
928: AFUDC Debt	857	2,512	5,430	3,442	5,235	10,552	17,074	45,102
929: AFUDC Equity	718	2,677	5,787	3,669	5,579	11,246	18,197	47,872
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	(1,284,324)	-	-	-	-	(1,284,324)
825: Closing Cost of Removal	-	-	(23,798)	-	-	-	-	(23,798)
Project Net	222,419	1,629,592	(517,823)	182,033	1,304,552	3,105,590	2,303,029	8,229,393

Project No: **65009440** **Sun Lasso Interconnection**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	78,747	10,000	10,000	10,000	10,000	10,000	10,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	4,218,698	1,300,000	1,502,161	1,300,000	800,000	-	-
370: Outside Services	2,826,776	1,402,333	1,035,333	833,925	504,000	673,732	306,512
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	695	-	-	-	-	-	-
805: Land and Land Rights	1,262,136	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	(163,333)	(163,333)	(163,333)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	6,001	826	826	826	826	826	826
914: Pension and Benefits	14,590	1,899	1,899	1,899	1,899	1,899	1,899
915: Injuries and Damages	15,592	1,896	1,896	1,896	1,896	1,896	1,896
921: Stores Load	174,521	42,484	49,091	42,484	26,144	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	411,069	407,543	382,817	322,282	197,793	103,253	48,170
926: A&G Loads	435,715	101,712	95,531	80,397	49,275	25,640	11,869
928: AFUDC Debt	45,102	21,518	28,553	34,888	39,456	41,933	43,103
929: AFUDC Equity	47,872	29,111	38,627	47,198	53,378	56,729	58,312
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(1,284,324)	-	-	-	-	-	-
825: Closing Cost of Removal	(23,798)	-	-	-	-	-	-
Project Net	8,229,393	3,319,323	3,146,734	2,675,795	1,521,334	752,575	319,254

Project No: **65009440** **Sun Lasso Interconnection**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	10,000	10,000	10,000	168,747
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	9,120,859
370: Outside Services	127,748	72,000	72,000	7,854,359
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	695
805: Land and Land Rights	-	-	-	1,262,136
807: Non Refundable Contrib	(163,333)	(163,333)	(163,333)	(979,998)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	826	826	826	13,435
914: Pension and Benefits	1,899	1,899	1,899	31,681
915: Injuries and Damages	1,896	1,896	1,896	32,656
921: Stores Load	-	-	-	334,723
922: Minor Material Load	-	-	-	-
925: E&S Loads	21,355	12,993	12,993	1,920,269
926: A&G Loads	5,166	3,075	3,075	811,456
928: AFUDC Debt	43,573	43,741	43,837	385,705
929: AFUDC Equity	58,947	59,174	59,305	508,653
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	(19,774,048)	(21,058,372)
825: Closing Cost of Removal	-	-	(383,206)	(407,003)
Project Net	108,076	42,271	(20,114,755)	(0)

Project No: 65009440 Sun Lasso Interconnection

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	168,747	-	-	-	168,747	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	9,120,859	-	-	-	9,120,859	-	-	-
370: Outside Services	7,854,359	-	-	-	7,854,359	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	695	-	-	-	695	-	-	-
805: Land and Land Rights	1,262,136	-	-	-	1,262,136	-	-	-
807: Non Refundable Contrib	(979,998)	-	-	-	(979,998)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	13,435	-	-	-	13,435	-	-	-
914: Pension and Benefits	31,681	-	-	-	31,681	-	-	-
915: Injuries and Damages	32,656	-	-	-	32,656	-	-	-
921: Stores Load	334,723	-	-	-	334,723	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,920,269	-	-	-	1,920,269	-	-	-
926: A&G Loads	811,456	-	-	-	811,456	-	-	-
928: AFUDC Debt	385,705	-	-	-	385,705	-	-	-
929: AFUDC Equity	508,653	-	-	-	508,653	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(21,058,372)	-	-	-	(21,058,372)	-	-	-
825: Closing Cost of Removal	(407,003)	-	-	-	(407,003)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65009440** **Sun Lasso Interconnection**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	168,747
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	9,120,859
370: Outside Services	-	-	-	-	-	-	7,854,359
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	695
805: Land and Land Rights	-	-	-	-	-	-	1,262,136
807: Non Refundable Contrib	-	-	-	-	-	-	(979,998)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	13,435
914: Pension and Benefits	-	-	-	-	-	-	31,681
915: Injuries and Damages	-	-	-	-	-	-	32,656
921: Stores Load	-	-	-	-	-	-	334,723
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	1,920,269
926: A&G Loads	-	-	-	-	-	-	811,456
928: AFUDC Debt	-	-	-	-	-	-	385,705
929: AFUDC Equity	-	-	-	-	-	-	508,653
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(21,058,372)
825: Closing Cost of Removal	-	-	-	-	-	-	(407,003)
Project Net	-	-	-	-	-	-	(0)

Project No: **65009540** **Bernalillo Interconnection**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Bernalillo 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2027

Description

This project facilitates the interconnection of the 400 MW Bernalillo Solar and BESS (battery energy storage system) project at PNM's Pajarito 345kV Switching Station. It includes the design, procurement, and construction of the generation interconnection as defined in the Large Generator Interconnection Agreement (LGIA) between PNM and the customer.

Project No: 65009540 Bernalillo Interconnection

Project Need Justification

The interconnector has provided written authorization to proceed with the design, procurement, installation, and construction of a discrete portion of Substation Network Upgrades and Transmission Provider's Interconnection Facilities (TPIF) and has also provided the required financial security as outlined in the LGIA requirements. PNM is mandated to accommodate the interconnection of the Interconnection Customer's Large Generating Facility to the Transmission Provider's System and perform in accordance with the specified LGIA milestone dates and objectives.

Project No: **65009540** **Bernalillo Interconnection**

Project Alternatives	No alternatives were considered because the facility upgrades are necessary to interconnect the Bernalillo Interconnection Project with PNM's transmission system. PNM Engineering evaluated the scope and cost of the planned TPIF and Substation Network Upgrades and determined that the proposed approach is the most efficient and cost-effective means of providing the required interconnection services as specified in the LGIA, maintain good utility practices, and ensure compliance with engineering and reliability requirements.

Project No: **65009540** **Bernalillo Interconnection**

Project Estimate Approach

This estimate reflects the full project scope, including engineering and design, detailed planning, equipment procurement, and construction execution associated with the Bernalillo Interconnection Project. The estimate was developed using an independent third-party estimate and then validated through competitive contractor bids. Major assumptions included standard labor productivity, current market pricing for materials and equipment, site accessibility, planned outage availability, and the use of the existing A-frame dead-end structure. The Engineering, Procurement, and Construction (EPC) contractor will serve as the primary resource for construction execution, supported by internal Engineering, Construction, Project Management, and Commissioning personnel. A 7% contingency was included to address estimating uncertainty, market fluctuations, potential design refinement, material pricing variability, and construction execution risks.

Project No: **65009540** **Bernalillo Interconnection**

Customer Benefit	The Bernalillo Interconnection project enables customer growth by providing the transmission infrastructure required to serve new demand in the area. The project improves service capability, supports economic development, and ensures the electric system can reliably meet current and future customer needs while maintaining safe and dependable service.

Project No: 65009540 Bernalillo Interconnection

Primary Value Driver: Customer Delivery

Compliance

Customer Delivery

The Bernalillo Interconnection project supports customer delivery by providing the infrastructure necessary to connect new customer load and generation resources to PNM's transmission system. The project increases system capacity and operational flexibility, ensuring customers in the Bernalillo area have access to safe and reliable electric service. By expanding the capability of the transmission network to accommodate future growth, the project supports economic development, enhances service availability, and helps meet the evolving energy needs of customers.

Energy Transition

Project No: **65009540** **Bernalillo Interconnection**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65009540 Bernalillo Interconnection

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	30,834	27,466	16,019	16,019	16,019	16,019	16,019	138,398
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	44,298	49,835	85,795	85,795	85,795	85,795	85,795	523,107
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	116	-	-	-	-	-	-	116
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(56,547)	(133,762)	(120,761)	(120,761)	(120,761)	(120,761)	(120,761)	(794,114)
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	2,358	2,093	1,221	1,221	1,221	1,221	1,221	10,554
914: Pension and Benefits	5,636	5,111	2,981	2,981	2,981	2,981	2,981	25,654
915: Injuries and Damages	6,123	5,438	3,172	3,172	3,172	3,172	3,172	27,421
921: Stores Load	120	-	-	-	-	-	-	120
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	901	5,172	6,278	6,278	6,278	6,278	6,278	37,464
926: A&G Loads	656	4,020	5,294	5,294	5,294	5,294	5,294	31,147
928: AFUDC Debt	73	-	-	-	-	-	-	73
929: AFUDC Equity	57	-	-	-	-	-	-	57
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	34,627	(34,627)	(0)	(0)	(0)	(0)	(0)	(2)

Project No: **65009540** **Bernalillo Interconnection**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	138,398	16,500	77,000	77,000	82,500	137,500	137,500
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	1,379,433	-	-
370: Outside Services	523,107	88,369	530,213	648,038	1,119,338	1,107,555	1,107,555
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	116	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	(794,114)	(133,000)	(761,985)	(901,902)	(3,154,000)	(1,551,500)	(1,551,500)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	10,554	1,363	6,360	6,360	6,815	11,358	11,358
914: Pension and Benefits	25,654	3,133	14,622	14,622	15,667	26,111	26,111
915: Injuries and Damages	27,421	3,128	14,599	14,599	15,642	26,070	26,070
921: Stores Load	120	-	-	-	45,080	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	37,464	16,874	96,419	114,093	392,909	196,289	196,289
926: A&G Loads	31,147	3,933	22,770	27,189	96,798	46,690	46,690
928: AFUDC Debt	73	-	-	-	-	-	-
929: AFUDC Equity	57	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	(2)	300	(1)	(0)	181	72	72

Project No: **65009540** **Bernalillo Interconnection**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	132,000	88,000	11,000	897,398
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	1,379,433
370: Outside Services	504,624	229,759	11,783	5,870,341
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	116
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	(826,000)	(424,100)	(33,424)	(10,131,525)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	10,903	7,269	909	73,248
914: Pension and Benefits	25,067	16,711	2,089	169,788
915: Injuries and Damages	25,027	16,685	2,086	171,327
921: Stores Load	-	-	-	45,200
922: Minor Material Load	-	-	-	-
925: E&S Loads	104,643	53,764	4,180	1,212,924
926: A&G Loads	23,873	11,916	854	311,859
928: AFUDC Debt	-	-	-	73
929: AFUDC Equity	-	-	-	57
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	138	3	(524)	241

Project No: 65009540 Bernalillo Interconnection

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	897,398	5,500	5,500	-	908,398	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,379,433	-	-	-	1,379,433	-	-	-
370: Outside Services	5,870,341	11,783	-	-	5,882,124	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	116	-	-	-	116	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(10,131,525)	(23,843)	(8,826)	-	(10,164,194)	-	-	-
829: Construction Adjustment	-	-	5,842,729	-	5,842,729	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	73,248	454	454	-	74,156	-	-	-
914: Pension and Benefits	169,788	1,044	1,044	-	171,877	-	-	-
915: Injuries and Damages	171,327	1,043	1,043	-	173,413	-	-	-
921: Stores Load	45,200	-	-	-	45,200	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,212,924	2,974	1,206	-	1,217,104	-	-	-
926: A&G Loads	311,859	648	206	-	312,714	-	-	-
928: AFUDC Debt	73	-	-	-	73	-	-	-
929: AFUDC Equity	57	-	-	-	57	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(5,843,884)	(5,843,884)	-	-	-
825: Closing Cost of Removal	-	-	-	683	683	-	-	-
Project Net	241	(397)	5,843,357	(5,843,201)	0	-	-	-

Project No: **65009540** **Bernalillo Interconnection**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	908,398
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,379,433
370: Outside Services	-	-	-	-	-	-	5,882,124
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	116
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	(10,164,194)
829: Construction Adjustment	-	-	-	-	-	-	5,842,729
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	74,156
914: Pension and Benefits	-	-	-	-	-	-	171,877
915: Injuries and Damages	-	-	-	-	-	-	173,413
921: Stores Load	-	-	-	-	-	-	45,200
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	1,217,104
926: A&G Loads	-	-	-	-	-	-	312,714
928: AFUDC Debt	-	-	-	-	-	-	73
929: AFUDC Equity	-	-	-	-	-	-	57
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,843,884)
825: Closing Cost of Removal	-	-	-	-	-	-	683
Project Net	-	-	-	-	-	-	0

Project No: **65009725** **Broken equipment replacement fund**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information County % Total System 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2031

Description

This project was created to properly maintain PNM's transmission system by replacing failed transmission equipment due to age, weather, and system conditions. The project spend plan will maintain an 85/15 split between the first and second year. This is to maintain project closeout schedules called out in the Project Management Office (PMO) process. Material orders will be journal entries from the existing long lead blanket or from the PNM warehouse.

Project No: 65009725 Broken equipment replacement fund

Project Need Justification

Transmission Engineering has observed a trend of equipment failures across PNM's transmission system. Timely replacement of failed equipment is necessary to minimize impacts on system safety and reliability. The purpose of this project is to provide for the prompt replacement of failed breakers, disconnect switches, instrument transformers, station service equipment, and surge arresters across PNM's transmission system.

Failed equipment can create safety risks for personnel working in and around transmission facilities and can compromise the reliable operation of the system. Breakers clear faults and are critical for the safe operation of transmission infrastructure, while instrument transformers allow relay protection to operate correctly. Properly functioning disconnect switches are also essential for crews to have open clearance points.

In addition to these safety concerns, equipment failures can reduce system reliability and operational flexibility. In some instances, failed equipment can limit redundant transmission sources or tie capabilities, reducing PNM's ability to reliably serve customers and interconnected entities.

Project No: **65009725** **Broken equipment replacement fund**

Project Alternatives

Temporary repairs and corrective maintenance were considered as an alternative to replacing failed equipment. While temporary measures may restore limited functionality, they do not address the underlying condition of the asset or provide a long-term solution. Many failed transmission components have reached the end of their useful life and cannot reliably perform their intended function. Reliance on temporary repairs increases the likelihood of repeat failures, additional maintenance costs, and unplanned outages while continuing to pose safety risks to personnel working within substations and transmission facilities.

Project No: **65009725** **Broken equipment replacement fund**

Project Estimate Approach	The estimate covers the costs to design, procure and build. Quotes were obtained for major equipment, miscellaneous materials and contracted labor. Estimating models from previous installations were used to price the internal labor required. Once the project team had final amounts for all material and for internal and external labor, a 10% contingency was applied.

Project No: **65009725** **Broken equipment replacement fund**

Customer Benefit

This project provides direct customer benefits by enabling the timely replacement of failed transmission equipment that is critical to maintaining reliable electric service. Replacing failed breakers, disconnect switches, instrument transformers, station service equipment, and surge arresters reduces the risk of unplanned outages, preserves system protection capabilities, and maintains operational flexibility across the transmission network. These investments help sustain redundant power pathways, support faster restoration during contingency events, and strengthen the overall resiliency of the electric system. By proactively addressing equipment failures, the project helps ensure customers continue to receive safe, reliable, and dependable electric service.

Project No: **65009725** **Broken equipment replacement fund**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65009725** **Broken equipment replacement fund**

General Services

Reliability & Resiliency

The project enhances reliability and resiliency by providing for the rapid replacement of failed transmission equipment that is essential to system protection and operation. Timely replacement reduces outage risk, preserves system redundancy, and helps maintain reliable electric service for customers during normal and contingency operating conditions.

Safety & Security

Technology Advancements

Project No: 65009725 Broken equipment replacement fund

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **65009725** **Broken equipment replacement fund**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	3,813	3,813	3,813	3,813	3,813	3,813
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	11,439	11,439	11,439	11,439	11,439	11,439
370: Outside Services	-	22,878	22,878	22,878	22,878	22,878	22,878
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	315	315	315	315	315	315
914: Pension and Benefits	-	724	724	724	724	724	724
915: Injuries and Damages	-	723	723	723	723	723	723
921: Stores Load	-	374	374	374	374	374	374
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	5,984	5,984	5,984	5,984	5,984	5,984
926: A&G Loads	-	1,430	1,430	1,430	1,430	1,430	1,430
928: AFUDC Debt	-	52	156	261	288	393	499
929: AFUDC Equity	-	70	211	353	389	532	675
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(35,321)	-	-	(62,230)
825: Closing Cost of Removal	-	-	-	(715)	-	-	(1,252)
Project Net	-	47,802	48,048	12,258	48,357	48,605	(14,627)

Project No: **65009725** **Broken equipment replacement fund**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	3,813	3,813	3,813	34,316
120: Overtime-General	-	-	-	-
350: Material Issues-Major	11,439	11,439	11,439	102,952
370: Outside Services	22,878	22,878	22,878	205,905
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	315	315	315	2,835
914: Pension and Benefits	724	724	724	6,517
915: Injuries and Damages	723	723	723	6,506
921: Stores Load	374	374	374	3,364
922: Minor Material Load	-	-	-	-
925: E&S Loads	5,984	5,984	5,984	53,855
926: A&G Loads	1,430	1,430	1,430	12,869
928: AFUDC Debt	467	574	681	3,372
929: AFUDC Equity	632	776	921	4,561
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	(82,730)	(180,280)
825: Closing Cost of Removal	-	-	(1,654)	(3,621)
Project Net	48,780	49,030	(35,102)	253,151

Project No: 65009725 Broken equipment replacement fund

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	34,316	3,813	3,813	3,813	45,755	10,766	10,766	10,766
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	102,952	11,439	11,439	11,439	137,270	32,299	32,299	32,299
370: Outside Services	205,905	22,878	22,878	22,878	274,540	64,598	64,598	64,598
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	2,835	315	315	315	3,779	889	889	889
914: Pension and Benefits	6,517	724	724	724	8,689	2,044	2,044	2,044
915: Injuries and Damages	6,506	723	723	723	8,675	2,041	2,041	2,041
921: Stores Load	3,364	374	374	374	4,486	1,056	1,056	1,056
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	53,855	5,984	5,984	5,984	71,806	16,896	16,896	16,896
926: A&G Loads	12,869	1,430	1,430	1,430	17,159	3,779	3,779	3,779
928: AFUDC Debt	3,372	604	711	819	5,506	787	1,079	1,372
929: AFUDC Equity	4,561	817	962	1,108	7,449	1,242	1,702	2,165
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(180,280)	-	-	(98,348)	(278,628)	-	-	(174,608)
825: Closing Cost of Removal	(3,621)	-	-	(1,956)	(5,576)	-	-	(3,482)
Project Net	253,151	49,102	49,354	(50,696)	300,910	136,398	137,149	(40,185)

Project No: **65009725** **Broken equipment replacement fund**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	10,766	10,766	10,766	10,766	10,766	10,766	142,649
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	32,299	32,299	32,299	32,299	32,299	32,299	427,961
370: Outside Services	64,598	64,598	64,598	64,598	64,598	64,598	855,922
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	889	889	889	889	889	889	11,783
914: Pension and Benefits	2,044	2,044	2,044	2,044	2,044	2,044	27,089
915: Injuries and Damages	2,041	2,041	2,041	2,041	2,041	2,041	27,046
921: Stores Load	1,056	1,056	1,056	1,056	1,056	1,056	13,986
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	16,896	16,896	16,896	16,896	16,896	16,896	223,868
926: A&G Loads	3,779	3,779	3,779	3,779	3,779	3,779	51,169
928: AFUDC Debt	1,286	1,581	1,877	1,667	1,964	2,262	19,382
929: AFUDC Equity	2,030	2,494	2,961	2,630	3,098	3,569	29,341
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	(232,774)	-	-	(277,139)	(963,150)
825: Closing Cost of Removal	-	-	(4,627)	-	-	(5,486)	(19,172)
Project Net	137,684	138,443	(98,195)	138,665	139,430	(142,426)	847,874

Project No: **65009740** **Westpointe Substation-TRN**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Bernalillo 100%

Estimated Start Date 12/1/2025

Estimated Completion Date 12/31/2027

Description

Transmission and Distribution Planning, based on input from PNM's Economic Development Department and the recently passed New Mexico Senate Bill SB170, recommends the construction of a new 115-12.47kV Westpointe 40 Substation located near I-40 and 98th St and connecting to the West Mesa to Person WV 115kV transmission line. The substation will be built to accommodate two 115-12.47kV, 33.6 MVA distribution transformers, each with four feeder switchgear and tie breakers. One transformer and switchgear will be installed at this time. Three 115kv breakers will be installed on the WV transmission line connection to accommodate two transformers. Distribution feeders will be built at a later date once the specific size and type of customer load is determined.

Project No: 65009740 Westpointe Substation-TRN

Project Need Justification

This project is required to support existing capacity deficiencies and forecasted load growth in the rapidly developing west side of Albuquerque. Economic development activity in the Westpointe 40 business park and surrounding area has generated significant interest from prospective commercial and industrial customers with substantial electric service requirements and accelerated energization schedules.

Construction of a new substation will enable PNM to meet customer service timelines, support regional economic development, maintain reliable electric service, and ensure sufficient infrastructure is available to serve both existing and anticipated load growth in the area.

Project No: **65009740** **Westpointe Substation-TRN**

Project Alternatives

Relying on existing substations and distribution facilities as an alternative would require significant upgrades while offering limited operational flexibility and a reduced ability to serve future customer demand in the service area. Constructing the new Westpointe 115/12.47kV substation was selected as the more effective solution: it provides sufficient capacity, supports projected long-term growth, improves system reliability, and meets the service objectives associated with Senate Bill 170.

Project No: **65009740** **Westpointe Substation-TRN**

Project Estimate Approach	The estimate covers the cost to design, procure, and build. It was prepared by a third-party contractor using hard bids for major equipment, miscellaneous materials, and contracted labor. Once the PNM project team had final amounts for all material and for internal and external labor, a 10% contingency was applied.

Project No: **65009740** **Westpointe Substation-TRN**

Customer Benefit

The Westpointe Substation will improve reliability and service capacity for customers in the growing Westpointe 40 area by providing a dedicated source of power, supporting new customer connections, and enhancing PNM's ability to meet future demand. The project enables timely service delivery while strengthening overall system resilience and supporting economic development.

Project No:	**65009740 Westpointe Substation-TRN**
Primary Value Driver	Compliance
Compliance	The project supports compliance with New Mexico Senate Bill 170, which requires utilities to meet specific regulatory and cost recovery requirements for infrastructure investments that enable economic development. Compliance ensures the project meets statutory obligations and supports prudent recovery of investment costs
Customer Delivery	
Energy Transition	

Project No: **65009740** **Westpointe Substation-TRN**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 65009740 Westpointe Substation-TRN

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	7,903	89	10,000	10,000	10,000	70,783	70,783	179,557
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,309,408	-	345,816	-	-	471,610	584,714	2,711,548
370: Outside Services	112,257	57,627	20,869	15,250	30,675	2,327,662	2,327,662	4,892,003
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	4,699	19	-	-	-	-	-	4,718
805: Land and Land Rights	-	-	1,338,703	-	634,951	-	-	1,973,654
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	602	7	762	762	762	5,394	5,394	13,682
914: Pension and Benefits	1,446	17	1,861	1,861	1,861	13,173	13,173	33,391
915: Injuries and Damages	1,565	18	1,980	1,980	1,980	14,015	14,015	35,552
921: Stores Load	22,543	-	14,829	-	-	20,223	25,073	82,667
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	91,324	3,322	21,924	1,717	2,604	166,902	173,405	461,196
926: A&G Loads	45,041	3,002	89,200	1,313	35,133	149,243	155,124	478,056
928: AFUDC Debt	62,995	4,270	6,601	8,905	6,553	11,369	19,413	120,106
929: AFUDC Equity	40,161	4,551	7,035	9,491	6,984	12,116	20,690	101,027
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(1,339,977)	-	-	-	(1,339,977)
825: Closing Cost of Removal	-	-	-	(14,286)	-	-	-	(14,286)
Project Net	1,699,944	72,922	1,859,580	(1,302,985)	731,502	3,262,488	3,409,445	9,732,896

Project No: **65009740** **Westpointe Substation-TRN**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	179,557	70,783	70,783	70,783	70,783	70,783	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	2,711,548	471,610	471,610	471,610	471,610	471,610	-
370: Outside Services	4,892,003	2,327,662	2,327,662	2,327,662	2,327,662	2,327,662	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	4,718	-	-	-	-	-	-
805: Land and Land Rights	1,973,654	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	13,682	5,847	5,847	5,847	5,847	5,847	-
914: Pension and Benefits	33,391	13,442	13,442	13,442	13,442	13,442	-
915: Injuries and Damages	35,552	13,420	13,420	13,420	13,420	13,420	-
921: Stores Load	82,667	15,412	15,412	15,412	15,412	15,412	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	461,196	435,415	435,415	435,415	435,415	435,415	-
926: A&G Loads	478,056	107,627	107,627	107,627	107,627	107,627	-
928: AFUDC Debt	120,106	25,051	32,730	40,449	48,208	56,008	-
929: AFUDC Equity	101,027	33,889	44,278	54,721	65,218	75,770	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(1,339,977)	-	-	-	-	(26,998,083)	-
825: Closing Cost of Removal	(14,286)	-	-	-	-	(517,221)	-
Project Net	9,732,896	3,520,157	3,538,225	3,556,387	3,574,644	(23,922,308)	-

Project No: **65009740** **Westpointe Substation-TRN**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	533,470
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	5,069,597
370: Outside Services	-	-	-	16,530,314
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	4,718
805: Land and Land Rights	-	-	-	1,973,654
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	42,916
914: Pension and Benefits	-	-	-	100,599
915: Injuries and Damages	-	-	-	102,654
921: Stores Load	-	-	-	159,728
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	2,638,269
926: A&G Loads	-	-	-	1,016,192
928: AFUDC Debt	-	-	-	322,552
929: AFUDC Equity	-	-	-	374,903
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(28,338,061)
825: Closing Cost of Removal	-	-	-	(531,506)
Project Net	-	-	-	0

Project No: 65009740 Westpointe Substation-TRN

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	533,470	-	-	-	533,470	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	5,069,597	-	-	-	5,069,597	-	-	-
370: Outside Services	16,530,314	-	-	-	16,530,314	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	4,718	-	-	-	4,718	-	-	-
805: Land and Land Rights	1,973,654	-	-	-	1,973,654	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	42,916	-	-	-	42,916	-	-	-
914: Pension and Benefits	100,599	-	-	-	100,599	-	-	-
915: Injuries and Damages	102,654	-	-	-	102,654	-	-	-
921: Stores Load	159,728	-	-	-	159,728	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	2,638,269	-	-	-	2,638,269	-	-	-
926: A&G Loads	1,016,192	-	-	-	1,016,192	-	-	-
928: AFUDC Debt	322,552	-	-	-	322,552	-	-	-
929: AFUDC Equity	374,903	-	-	-	374,903	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(28,338,061)	-	-	-	(28,338,061)	-	-	-
825: Closing Cost of Removal	(531,506)	-	-	-	(531,506)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **65009740** **Westpointe Substation-TRN**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	533,470
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	5,069,597
370: Outside Services	-	-	-	-	-	-	16,530,314
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	4,718
805: Land and Land Rights	-	-	-	-	-	-	1,973,654
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	42,916
914: Pension and Benefits	-	-	-	-	-	-	100,599
915: Injuries and Damages	-	-	-	-	-	-	102,654
921: Stores Load	-	-	-	-	-	-	159,728
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	2,638,269
926: A&G Loads	-	-	-	-	-	-	1,016,192
928: AFUDC Debt	-	-	-	-	-	-	322,552
929: AFUDC Equity	-	-	-	-	-	-	374,903
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(28,338,061)
825: Closing Cost of Removal	-	-	-	-	-	-	(531,506)
Project Net	-	-	-	-	-	-	0

Project No: 65009925 Transmission Line Pole Replcmt 2025

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2031

County %				
Santa Fe	32%	Cibola	2%	
Lincoln	12%	Otero	6%	
Grant	40%			
McKinley	2%			
San Miguel	6%			

Description

This project replaces transmission poles that failed inspection under PNM's OSMOSE pole inspection program, hardening the transmission system against high wind damage in Higher Fire Areas (HFAs), and increasing reliability on the 46kV system.

Project No: **65009925 Transmission Line Pole Replcmt 2025**

Project Need Justification

This project will replace failed transmission poles identified for replacement through PNM's OSMOSE pole inspection program. Based on criteria established by OSMOSE, inspected poles may be classified as Priority 1 (P1) or Priority 2 (P2). P1 poles represent emergent conditions requiring immediate replacement. P2 poles have structural integrity at the time of testing but need to be replaced in the near future. If not replaced, these poles may become P1 poles.

This project provides funding for the proactive replacement of P2 transmission poles, with an initial focus on deficient poles located within High Fire Areas (HFAs) and along the ZB line. Replacing aging wood poles and associated assemblies improves the strength and structural integrity of the poles and transmission lines. Proactive pole replacement also impacts the decision on the implementation of a Public Safety Power Shutoff (PSPS). In addition, the project will enhance system reliability by replacing the original poles on PNM's 46 kV transmission lines.

Project No: **65009925 Transmission Line Pole Replcmt 2025**

Project Alternatives	PNM could defer replacement of P2 poles and continue monitoring their condition, but leaving aging structures in service increases the likelihood of future P1 failures, especially during PSPS events or high-wind conditions. This alternative reduces immediate cost but elevates long-term reliability and public-safety risk.

Project No: **65009925 Transmission Line Pole Replcmt 2025**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material and internal and external labor, they used a 10% contingency.

Project No: **65009925 Transmission Line Pole Replcmt 2025**

Customer Benefit

This project enhances public safety and system security by replacing structurally deficient transmission poles identified through PNM's inspection program before they deteriorate to a condition that could pose a significant risk to the public, employees, and electric infrastructure. Replacing aging poles with stronger, more resilient structures improves the integrity of transmission lines, particularly in High Fire Threat Areas (HFAs), reducing the potential for pole failures and associated safety hazards. These improvements strengthen the security and resilience of the electric system, support informed operational decisions related to Public Safety Power Shutoff (PSPS) events, and help protect communities, customers, and critical infrastructure from safety risks associated with aging transmission assets.

Project No: **65009925 Transmission Line Pole Replcmt 2025**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

Project No: **65009925** **Transmission Line Pole Replcmt 2025**

General Services

Reliability & Resiliency

Safety & Security

By replacing aging transmission poles identified through PNM's inspection program, this project strengthens public safety, reduces infrastructure-related risks, and enhances system security in high-risk areas. These investments help protect customers and communities while supporting a more resilient and secure transmission network.

Technology Advancements

Project No: 65009925 Transmission Line Pole Replcmt 2025

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **65009925** **Transmission Line Pole Replcmt 2025**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	4,576	4,576	4,576	4,576	4,576	4,576
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	82,363	82,363	82,363	82,363	82,363	82,363
370: Outside Services	-	111,876	111,876	111,876	111,876	111,876	111,876
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	378	378	378	378	378	378
914: Pension and Benefits	-	869	869	869	869	869	869
915: Injuries and Damages	-	868	868	868	868	868	868
921: Stores Load	-	2,692	2,692	2,692	2,692	2,692	2,692
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	30,139	30,139	30,139	30,139	30,139	30,139
926: A&G Loads	-	7,456	7,456	7,456	7,456	7,456	7,456
928: AFUDC Debt	-	263	790	1,321	1,853	2,389	2,928
929: AFUDC Equity	-	356	1,069	1,786	2,507	3,232	3,961
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	241,835	243,076	244,323	245,577	246,838	248,105

Project No: **65009925** **Transmission Line Pole Replcmt 2025**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	4,576	4,576	4,576	41,184
120: Overtime-General	-	-	-	-
350: Material Issues-Major	82,363	82,363	82,363	741,267
370: Outside Services	111,876	111,876	111,876	1,006,884
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	378	378	378	3,402
914: Pension and Benefits	869	869	869	7,821
915: Injuries and Damages	868	868	868	7,808
921: Stores Load	2,692	2,692	2,692	24,225
922: Minor Material Load	-	-	-	-
925: E&S Loads	30,139	30,139	30,139	271,255
926: A&G Loads	7,456	7,456	7,456	67,100
928: AFUDC Debt	3,469	4,013	4,560	21,587
929: AFUDC Equity	4,693	5,429	6,169	29,204
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	249,378	250,659	251,946	2,221,736

Project No: 65009925 Transmission Line Pole Replcmt 2025

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	41,184	4,576	4,576	4,576	54,912	4,486	4,486	4,486
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	741,267	82,363	82,363	82,363	988,356	80,748	80,748	80,748
370: Outside Services	1,006,884	111,876	111,876	111,876	1,342,512	110,041	110,041	110,041
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	3,402	378	378	378	4,536	371	371	371
914: Pension and Benefits	7,821	869	869	869	10,428	852	852	852
915: Injuries and Damages	7,808	868	868	868	10,411	851	851	851
921: Stores Load	24,225	2,692	2,692	2,692	32,299	2,639	2,639	2,639
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	271,255	30,139	30,139	30,139	361,673	29,602	29,602	29,602
926: A&G Loads	67,100	7,456	7,456	7,456	89,467	6,854	6,854	6,854
928: AFUDC Debt	21,587	5,110	5,663	6,219	38,579	253	760	1,269
929: AFUDC Equity	29,204	6,913	7,661	8,413	52,191	399	1,199	2,003
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(2,927,472)	(2,927,472)	-	-	-
825: Closing Cost of Removal	-	-	-	(57,892)	(57,892)	-	-	-
Project Net	2,221,736	253,240	254,540	(2,729,516)	(0)	237,095	238,401	239,715

Project No: **65009925** **Transmission Line Pole Replcmt 2025**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	4,486	4,486	4,486	4,486	4,486	4,486	95,286
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	80,748	80,748	80,748	80,748	80,748	80,748	1,715,088
370: Outside Services	110,041	110,041	110,041	110,041	110,041	110,041	2,332,881
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	371	371	371	371	371	371	7,871
914: Pension and Benefits	852	852	852	852	852	852	18,095
915: Injuries and Damages	851	851	851	851	851	851	18,066
921: Stores Load	2,639	2,639	2,639	2,639	2,639	2,639	56,049
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	29,602	29,602	29,602	29,602	29,602	29,602	628,093
926: A&G Loads	6,854	6,854	6,854	6,854	6,854	6,854	151,154
928: AFUDC Debt	1,782	2,298	2,816	3,337	3,862	4,389	59,344
929: AFUDC Equity	2,812	3,625	4,443	5,265	6,092	6,924	84,952
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,927,472)
825: Closing Cost of Removal	-	-	-	-	-	-	(57,892)
Project Net	241,037	242,366	243,702	245,046	246,397	247,756	2,181,515

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

	County %	Valencia	100%

Estimated Start Date 2/1/2025

Estimated Completion Date 6/30/2028

Description

The Los Lunas Capacity Expansion Phase 5 Project is to construct two additional 345/115kV auto transformers at PNM's existing Hidden Mountain Substation, two 115kV transmission lines from PNM's existing Rattlesnake Station, and one additional Hidden Mountain-Rattlesnake 115kV line. To accommodate the additional line terminals, four 345kV breakers and seven 115kV breakers will be installed at Hidden Mountain with an additional seven 115kV breakers at Rattlesnake.

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

Project Need Justification

Planning studies identified the need for additional system capacity in the Los Lunas area. The existing system is at its capacity limit of 440MW and cannot serve the 200MW of load growth expected within the next several years. Without the additional transformation and transmission capacity this project provides, that load growth cannot be interconnected.

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

Project Alternatives

The only alternative is the do nothing approach. This is not a viable option due to the 200MW load growth expected within the next couple of years. The existing system capacity is currently maxed out at 440MW.

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

Project Estimate Approach

The estimate covers the cost to design, procure and build. It was prepared by a third-party consultant using hard bids for major equipment, miscellaneous materials and contracted labor. Once the PNM project team had final amounts for all material and for internal and external labor, a 10% contingency was applied.

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

Customer Benefit	This project allows for future growth in the village of Los Lunas and increases reliability within the Valencia area. This directly benefits current and future residential, commercial, and industrial customers.

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

General Services

Reliability & Resiliency

This project provides substation capacity and facilitates the interconnection of renewable resources in the Village of Los Lunas, addressing the increased development of employment and residential uses.

Safety & Security

Technology Advancements

Project No: 65009926 Los Lunas Capacity Expansion Phse 5

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	276,681	20,833	20,833	20,833	20,833	20,833	20,833	401,681
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	7,754,581	20,000	20,000	20,000	20,000	20,000	20,000	7,874,581
370: Outside Services	1,358,687	846,754	1,172,161	235,000	235,000	235,000	235,000	4,317,602
374: Outside Services Legal	646	-	-	-	-	-	-	646
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	19,104	-	-	-	-	-	-	19,104
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	21,340	1,588	1,588	1,588	1,588	1,588	1,588	30,865
914: Pension and Benefits	47,441	3,877	3,877	3,877	3,877	3,877	3,877	70,703
915: Injuries and Damages	55,327	4,125	4,125	4,125	4,125	4,125	4,125	80,077
921: Stores Load	18,382	858	858	858	858	858	858	23,528
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	671,722	51,588	70,299	16,412	16,412	16,412	16,412	859,256
926: A&G Loads	469,321	46,155	63,076	14,343	14,343	14,343	14,343	635,925
928: AFUDC Debt	215,724	28,520	31,509	33,693	34,631	29,725	30,643	404,444
929: AFUDC Equity	166,085	30,396	33,581	35,908	36,908	31,679	32,658	367,215
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(2,371,140)	-	-	(2,371,140)
825: Closing Cost of Removal	-	-	-	-	(9,927)	-	-	(9,927)
Project Net	11,075,043	1,054,693	1,421,906	386,636	(1,992,494)	378,440	380,336	12,704,560

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	401,681	30,000	30,000	30,000	30,000	30,000	30,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	7,874,581	90,909	90,909	90,909	90,909	4,623,909	90,909
370: Outside Services	4,317,602	900,956	900,956	900,956	1,383,289	1,383,289	1,408,289
374: Outside Services Legal	646	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	19,104	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	30,865	2,478	2,478	2,478	2,478	2,478	2,478
914: Pension and Benefits	70,703	5,697	5,697	5,697	5,697	5,697	5,697
915: Injuries and Damages	80,077	5,688	5,688	5,688	5,688	5,688	5,688
921: Stores Load	23,528	2,971	2,971	2,971	2,971	151,109	2,971
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	859,256	155,359	155,359	155,359	227,709	907,659	231,459
926: A&G Loads	635,925	38,320	38,320	38,320	56,407	226,395	57,345
928: AFUDC Debt	404,444	29,475	32,316	35,173	38,669	48,839	59,094
929: AFUDC Equity	367,215	39,874	43,719	47,583	52,313	66,071	79,945
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(2,371,140)	-	-	-	-	-	-
825: Closing Cost of Removal	(9,927)	-	-	-	-	-	-
Project Net	12,704,560	1,301,727	1,308,413	1,315,134	1,896,130	7,451,134	1,973,874

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	30,000	30,000	30,000	671,681
120: Overtime-General	-	-	-	-
350: Material Issues-Major	11,423,409	50,000	55,640	24,482,084
370: Outside Services	3,168,289	18,054,876	3,168,289	35,586,791
374: Outside Services Legal	-	-	-	646
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	19,104
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	2,478	2,478	2,478	53,167
914: Pension and Benefits	5,697	5,697	5,697	121,976
915: Injuries and Damages	5,688	5,688	5,688	131,269
921: Stores Load	373,317	1,634	1,818	566,261
922: Minor Material Load	-	-	-	-
925: E&S Loads	2,195,334	2,722,311	490,169	8,099,975
926: A&G Loads	548,314	680,058	122,022	2,441,426
928: AFUDC Debt	80,760	124,039	152,421	1,005,229
929: AFUDC Equity	109,255	167,805	206,201	1,179,980
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(2,371,140)
825: Closing Cost of Removal	-	-	-	(9,927)
Project Net	17,942,541	21,844,585	4,240,423	71,978,523

Project No: 65009926 Los Lunas Capacity Expansion Phse 5

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	671,681	16,667	24,000	16,667	729,015	30,000	30,000	30,000
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	24,482,084	50,000	4,805,830	1,467,400	30,805,314	50,000	2,673,500	50,000
370: Outside Services	35,586,791	3,168,289	1,418,289	2,872,000	43,045,369	2,872,000	2,872,000	2,872,000
374: Outside Services Legal	646	-	-	-	646	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	19,104	-	-	-	19,104	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	53,167	1,377	1,982	1,377	57,903	2,478	2,478	2,478
914: Pension and Benefits	121,976	3,165	4,558	3,165	132,864	5,697	5,697	5,697
915: Injuries and Damages	131,269	3,160	4,550	3,160	142,140	5,688	5,688	5,688
921: Stores Load	566,261	1,634	157,055	47,955	772,904	1,634	87,370	1,634
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	8,099,975	486,399	938,881	654,565	10,179,820	444,879	838,404	444,879
926: A&G Loads	2,441,426	121,311	234,304	163,353	2,960,394	103,615	195,700	103,615
928: AFUDC Debt	1,005,229	161,651	174,972	189,866	1,531,719	196,464	196,483	208,520
929: AFUDC Equity	1,179,980	218,688	236,710	256,858	1,892,235	309,962	309,993	328,984
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(2,371,140)	-	-	-	(2,371,140)	(5,508,462)	-	-
825: Closing Cost of Removal	(9,927)	-	-	-	(9,927)	(96,900)	-	-
Project Net	71,978,523	4,232,340	8,001,132	5,676,365	89,888,360	(1,582,944)	7,217,314	4,053,496

Project No: **65009926** **Los Lunas Capacity Expansion Phse 5**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	30,000	30,000	-	-	-	-	879,015
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	50,000	50,000	-	-	-	-	33,678,814
370: Outside Services	2,872,000	270,000	-	-	-	-	54,803,369
374: Outside Services Legal	-	-	-	-	-	-	646
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	19,104
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	2,478	2,478	-	-	-	-	70,293
914: Pension and Benefits	5,697	5,697	-	-	-	-	161,349
915: Injuries and Damages	5,688	5,688	-	-	-	-	170,580
921: Stores Load	1,634	1,634	-	-	-	-	866,810
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	444,879	54,579	-	-	-	-	12,407,442
926: A&G Loads	103,615	12,285	-	-	-	-	3,479,224
928: AFUDC Debt	217,210	222,652	224,366	-	-	-	2,797,413
929: AFUDC Equity	342,693	351,279	353,984	-	-	-	3,889,130
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	(103,426,720)	-	-	-	(111,306,322)
825: Closing Cost of Removal	-	-	(1,810,041)	-	-	-	(1,916,868)
Project Net	4,075,894	1,006,292	(104,658,412)	-	-	-	0

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

Company: 002 Transmission Services
Location: 650 Transmission General

Project Information

County % Valencia 100%

Estimated Start Date 10/1/2022

Estimated Completion Date 12/31/2026

Description

The Los Lunas Capacity Expansion Phase 4 Project includes construction of the new Hidden Mountain 345/115 kV Substation, approximately five miles of new 115 kV transmission lines between Rattlesnake and Hidden Mountain, and modifications at the existing Abo Station. Hidden Mountain will consist of separate 345 kV and 115 kV yards. The 345 kV yard will include one 345/115 kV autotransformer, one 345 kV shunt reactor, and six 345 kV SF6 circuit breakers. The 115 kV yard will include three 115 kV SF6 circuit breakers. In addition, modifications to the series capacitor bank at Abo Station will be required to accommodate the shortened 345 kV transmission path between Western Spirits and Pajarito. The project will also include line relay upgrades at the remote-end stations of Pajarito, Rattlesnake, and Western Spirits to support the new Hidden Mountain facilities.

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

Project Need Justification

Planning studies identified the need for additional system capacity in the Los Lunas area. The existing infrastructure is at its capacity limit of 275MW and cannot serve the 400MW of load growth expected in the area.

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

Project Alternatives

The only alternative is the do nothing approach. This is not a viable option due to the 400MW load growth within the next couple of years. The existing system capacity is currently maxed out at 275MW.

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

Project Estimate Approach

The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material and internal and external labor, they used a 10% contingency.

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

Customer Benefit	This project allows for future growth in the village of Los Lunas and increases reliability within the Valencia area. This directly benefits current and future residential, commercial, and industrial customers.

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

General Services

Reliability & Resiliency

This project provides substation capacity and facilitates the interconnection of renewable resources in the Village of Los Lunas, addressing the increased development of employment and residential uses.

Safety & Security

Technology Advancements

Project No: 65009950 Los Lunas Capacity Expansion Phase4

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	1,227,025	-	-	-	-	-	-	1,227,025
120: Overtime-General	64,116	-	-	-	-	-	-	64,116
350: Material Issues-Major	19,928,297	-	-	-	-	-	-	19,928,297
370: Outside Services	63,954,845	-	-	-	-	-	-	63,954,845
374: Outside Services Legal	37,645	-	-	-	-	-	-	37,645
377: Outside Svcs-Temp Labor	43,211	-	-	-	-	-	-	43,211
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	257,924	-	-	-	-	-	-	257,924
805: Land and Land Rights	556,416	-	-	-	-	-	-	556,416
807: Non Refundable Contrib	(179,327)	-	-	-	-	-	-	(179,327)
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	100,876	-	-	-	-	-	-	100,876
914: Pension and Benefits	235,705	-	-	-	-	-	-	235,705
915: Injuries and Damages	228,089	-	-	-	-	-	-	228,089
921: Stores Load	267,837	-	-	-	-	-	-	267,837
922: Minor Material Load	4,113	-	-	-	-	-	-	4,113
925: E&S Loads	5,369,696	-	-	-	-	-	-	5,369,696
926: A&G Loads	3,721,648	-	-	-	-	-	-	3,721,648
928: AFUDC Debt	3,410,123	131	-	-	-	-	-	3,410,254
929: AFUDC Equity	2,418,337	139	-	-	-	-	-	2,418,476
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(101,091,548)	(53,263)	-	-	-	-	-	(101,144,811)
825: Closing Cost of Removal	(502,034)	-	-	-	-	-	-	(502,034)
Project Net	52,993	(52,993)	-	-	-	-	-	(0)

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	1,227,025	-	-	-	-	-	-
120: Overtime-General	64,116	-	-	-	-	-	-
350: Material Issues-Major	19,928,297	-	-	-	-	-	-
370: Outside Services	63,954,845	-	-	-	-	-	-
374: Outside Services Legal	37,645	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	43,211	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	257,924	-	-	-	-	-	-
805: Land and Land Rights	556,416	-	-	-	-	-	-
807: Non Refundable Contrib	(179,327)	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	100,876	-	-	-	-	-	-
914: Pension and Benefits	235,705	-	-	-	-	-	-
915: Injuries and Damages	228,089	-	-	-	-	-	-
921: Stores Load	267,837	-	-	-	-	-	-
922: Minor Material Load	4,113	-	-	-	-	-	-
925: E&S Loads	5,369,696	-	-	-	-	-	-
926: A&G Loads	3,721,648	-	-	-	-	-	-
928: AFUDC Debt	3,410,254	-	-	-	-	-	-
929: AFUDC Equity	2,418,476	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(101,144,811)	-	-	-	-	-	-
825: Closing Cost of Removal	(502,034)	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	1,227,025
120: Overtime-General	-	-	-	64,116
350: Material Issues-Major	-	-	-	19,928,297
370: Outside Services	-	-	-	63,954,845
374: Outside Services Legal	-	-	-	37,645
377: Outside Svcs-Temp Labor	-	-	-	43,211
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	257,924
805: Land and Land Rights	-	-	-	556,416
807: Non Refundable Contrib	-	-	-	(179,327)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	100,876
914: Pension and Benefits	-	-	-	235,705
915: Injuries and Damages	-	-	-	228,089
921: Stores Load	-	-	-	267,837
922: Minor Material Load	-	-	-	4,113
925: E&S Loads	-	-	-	5,369,696
926: A&G Loads	-	-	-	3,721,648
928: AFUDC Debt	-	-	-	3,410,254
929: AFUDC Equity	-	-	-	2,418,476
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(101,144,811)
825: Closing Cost of Removal	-	-	-	(502,034)
Project Net	-	-	-	(0)

Project No: 65009950 Los Lunas Capacity Expansion Phase4

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	1,227,025	-	-	-	1,227,025	-	-	-
120: Overtime-General	64,116	-	-	-	64,116	-	-	-
350: Material Issues-Major	19,928,297	-	-	-	19,928,297	-	-	-
370: Outside Services	63,954,845	-	-	-	63,954,845	-	-	-
374: Outside Services Legal	37,645	-	-	-	37,645	-	-	-
377: Outside Svcs-Temp Labor	43,211	-	-	-	43,211	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	257,924	-	-	-	257,924	-	-	-
805: Land and Land Rights	556,416	-	-	-	556,416	-	-	-
807: Non Refundable Contrib	(179,327)	-	-	-	(179,327)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	100,876	-	-	-	100,876	-	-	-
914: Pension and Benefits	235,705	-	-	-	235,705	-	-	-
915: Injuries and Damages	228,089	-	-	-	228,089	-	-	-
921: Stores Load	267,837	-	-	-	267,837	-	-	-
922: Minor Material Load	4,113	-	-	-	4,113	-	-	-
925: E&S Loads	5,369,696	-	-	-	5,369,696	-	-	-
926: A&G Loads	3,721,648	-	-	-	3,721,648	-	-	-
928: AFUDC Debt	3,410,254	-	-	-	3,410,254	-	-	-
929: AFUDC Equity	2,418,476	-	-	-	2,418,476	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(101,144,811)	-	-	-	(101,144,811)	-	-	-
825: Closing Cost of Removal	(502,034)	-	-	-	(502,034)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **65009950** **Los Lunas Capacity Expansion Phase4**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	1,227,025
120: Overtime-General	-	-	-	-	-	-	64,116
350: Material Issues-Major	-	-	-	-	-	-	19,928,297
370: Outside Services	-	-	-	-	-	-	63,954,845
374: Outside Services Legal	-	-	-	-	-	-	37,645
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	43,211
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	257,924
805: Land and Land Rights	-	-	-	-	-	-	556,416
807: Non Refundable Contrib	-	-	-	-	-	-	(179,327)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	100,876
914: Pension and Benefits	-	-	-	-	-	-	235,705
915: Injuries and Damages	-	-	-	-	-	-	228,089
921: Stores Load	-	-	-	-	-	-	267,837
922: Minor Material Load	-	-	-	-	-	-	4,113
925: E&S Loads	-	-	-	-	-	-	5,369,696
926: A&G Loads	-	-	-	-	-	-	3,721,648
928: AFUDC Debt	-	-	-	-	-	-	3,410,254
929: AFUDC Equity	-	-	-	-	-	-	2,418,476
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(101,144,811)
825: Closing Cost of Removal	-	-	-	-	-	-	(502,034)
Project Net	-	-	-	-	-	-	(0)

Project No: **67607026** **San Juan Control House Improvements**

Company: 002 Transmission Services
Location: 676 Transmission SJ Switchyard

Project Information

County % San Juan 100%

Estimated Start Date 9/1/2026

Estimated Completion Date 5/31/2027

Description

This project was established to eliminate the overloading of the cable tray at San Juan 345kV Control Enclosure and upgrade the RTU (remote telemetry unit) and Breaker Synchronous Closing Panel (Breaker sync panel). This must be done in advance of the Sunbelt Renewable Energy interconnector tying to the San Juan 345kV switchyard.

Project No: 67607026 San Juan Control House Improvements

Project Need Justification

This project must be completed in advance of the Sunbelt Renewable Energy interconnection at the San Juan 345 kV Switchyard. Over the past several decades, numerous improvements have been made at San Juan; however, the control cable in the overhead cable trays and panels have been abandoned in place or partially cut back out of the way. As a result, the cable tray is overloaded and beginning to bow in areas. The project will install new cable trays to allow for the removal of abandoned cables and provide a path for new cables.

The project will also upgrade the RTU. The existing RTU has a logic limit that prevents it from sending back all the data we need from the interconnector to Power Ops. The single RTU will be replaced with a dual redundant RTU rack that will meet current California Independent System Operator (CAISO) requirements for redundancy for a generation interconnection.

Finally, the project will replace the original breaker synch panel, for which replacement parts are no longer readily available. The breaker sync panel is necessary to allow the breakers to be closed remotely. The new RTU and breaker sync panel will support all San Juan 345 kV line breakers, excluding the reactor breakers, which do not require synchronization for closing.

Project No: **67607026** **San Juan Control House Improvements**

Project Alternatives	The alternative is the do-nothing approach. This approach was not considered, as system reliability and personnel safety risks would not be addressed. In addition, doing nothing means CAISO's data and redundancy requirements for the RTU will not be met.

Project No: **67607026** **San Juan Control House Improvements**

Project Estimate Approach	Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Project No: **67607026** **San Juan Control House Improvements**

Customer Benefit

With these upgrades additional renewable generation providers will be able to connect to the PNM grid, supporting progress towards PNM's 100% renewable goal. The initial Sunbelt interconnection will add approximately 100 MW of generation capacity, which will help meet future growth in customer demand. The upgrades will also improve reliability by providing redundant SCADA communications paths to Power Operations, which reduces the risk of generation curtailment.

Project No: **67607026** **San Juan Control House Improvements**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

Project No: **67607026** **San Juan Control House Improvements**

General Services

Reliability & Resiliency

The RTU and sync panel upgrades will improve system reliability by providing fully redundant data back to Power Ops from the interconnector as well as all other data currently being passed through this RTU. Having a fully functional sync panel will also eliminate call outs for someone to manually operate a breaker when the panel fails to function and the Power Operator can't do it remotely from Albuquerque.

Safety & Security

Reducing the number of control cables in the existing overhead tray and adding structural supports will eliminate the possibility of a cable tray falling, possibly causing personal injury or causing energized cables to be pulled loose creating an electrical hazard and a ground fault situation which could create a large scale outage at this location, impacting major populations in New Mexico.

Technology Advancements

Project No: 67607026 San Juan Control House Improvements

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	24,272	24,272	24,272	14,563	87,379
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	72,815	72,815	72,815	43,690	262,135
370: Outside Services	-	-	-	145,631	145,631	145,631	87,378	524,271
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	(13,653)	(13,653)	(13,653)	(8,192)	(49,151)
904: SJ Switchyard AR-Other	-	-	-	(95,833)	(95,833)	(95,833)	(57,500)	(345,000)
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	1,850	1,850	1,850	1,110	6,658
914: Pension and Benefits	-	-	-	4,517	4,517	4,517	2,710	16,261
915: Injuries and Damages	-	-	-	4,806	4,806	4,806	2,883	17,301
921: Stores Load	-	-	-	3,122	3,122	3,122	1,873	11,240
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	14,599	14,599	14,599	8,759	52,555
926: A&G Loads	-	-	-	12,621	12,621	12,621	7,573	45,437
928: AFUDC Debt	-	-	-	209	627	1,047	1,386	3,267
929: AFUDC Equity	-	-	-	222	668	1,116	1,477	3,482
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	175,177	176,041	176,909	107,710	635,837

Project No: **67607026** **San Juan Control House Improvements**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	87,379	14,139	14,139	14,139	4,713	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	262,135	42,417	42,417	42,417	14,139	-	-
370: Outside Services	524,271	84,833	84,833	84,833	28,278	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	(49,151)	(7,963)	(7,963)	(7,963)	(2,654)	-	-
904: SJ Switchyard AR-Other	(345,000)	(60,140)	(60,140)	(60,140)	(20,047)	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	6,658	1,168	1,168	1,168	389	-	-
914: Pension and Benefits	16,261	2,685	2,685	2,685	895	-	-
915: Injuries and Damages	17,301	2,681	2,681	2,681	894	-	-
921: Stores Load	11,240	1,386	1,386	1,386	462	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	52,555	22,188	22,188	22,188	7,396	-	-
926: A&G Loads	45,437	5,302	5,302	5,302	1,767	-	-
928: AFUDC Debt	3,267	1,486	1,728	1,971	2,137	2,188	-
929: AFUDC Equity	3,482	2,011	2,338	2,667	2,892	2,960	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	(988,283)	-
825: Closing Cost of Removal	-	-	-	-	-	(32,251)	-
Project Net	635,837	112,193	112,762	113,334	41,261	(1,015,387)	-

Project No: **67607026** **San Juan Control House Improvements**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	134,509
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	403,525
370: Outside Services	-	-	-	807,048
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	(75,695)
904: SJ Switchyard AR-Other	-	-	-	(545,467)
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	10,551
914: Pension and Benefits	-	-	-	25,211
915: Injuries and Damages	-	-	-	26,237
921: Stores Load	-	-	-	15,861
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	126,517
926: A&G Loads	-	-	-	63,110
928: AFUDC Debt	-	-	-	12,778
929: AFUDC Equity	-	-	-	16,349
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(988,283)
825: Closing Cost of Removal	-	-	-	(32,251)
Project Net	-	-	-	(0)

Project No: 67607026 San Juan Control House Improvements

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	134,509	-	-	-	134,509	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	403,525	-	-	-	403,525	-	-	-
370: Outside Services	807,048	-	-	-	807,048	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	(75,695)	-	-	-	(75,695)	-	-	-
904: SJ Switchyard AR-Other	(545,467)	-	-	-	(545,467)	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	10,551	-	-	-	10,551	-	-	-
914: Pension and Benefits	25,211	-	-	-	25,211	-	-	-
915: Injuries and Damages	26,237	-	-	-	26,237	-	-	-
921: Stores Load	15,861	-	-	-	15,861	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	126,517	-	-	-	126,517	-	-	-
926: A&G Loads	63,110	-	-	-	63,110	-	-	-
928: AFUDC Debt	12,778	-	-	-	12,778	-	-	-
929: AFUDC Equity	16,349	-	-	-	16,349	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(988,283)	-	-	-	(988,283)	-	-	-
825: Closing Cost of Removal	(32,251)	-	-	-	(32,251)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **67607026** **San Juan Control House Improvements**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	134,509
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	403,525
370: Outside Services	-	-	-	-	-	-	807,048
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	(75,695)
904: SJ Switchyard AR-Other	-	-	-	-	-	-	(545,467)
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	10,551
914: Pension and Benefits	-	-	-	-	-	-	25,211
915: Injuries and Damages	-	-	-	-	-	-	26,237
921: Stores Load	-	-	-	-	-	-	15,861
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	126,517
926: A&G Loads	-	-	-	-	-	-	63,110
928: AFUDC Debt	-	-	-	-	-	-	12,778
929: AFUDC Equity	-	-	-	-	-	-	16,349
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(988,283)
825: Closing Cost of Removal	-	-	-	-	-	-	(32,251)
Project Net	-	-	-	-	-	-	(0)

Project No: 67607625 San Juan Stn Switchgear Replacement

Company: 002 Transmission Services
Location: 676 Transmission SJ Switchyard

Project Information

County % San Juan 100%

Estimated Start Date 9/1/2025

Estimated Completion Date 8/31/2026

Description

During the design and construction of the San Juan North project, it was discovered that the existing switchgear in the San Juan Station was insufficiently sized for the current use. This project will consist of replacing the existing switchgear with a new Vistagear equipment. This work is planned to take place at the same time as the fire remediation in the San Juan North Yard to coordinate the outages.

Project No: 67607625 San Juan Stn Switchgear Replacement

Project Need Justification

During the design and construction of the San Juan North project, it was determined that the existing switchgear at San Juan Station does not have sufficient capacity to support current operational requirements. This project will replace the existing switchgear with new VistaGear equipment to address the identified capacity limitations, improve system reliability, and ensure continued safe and efficient operation of the station.

The work will be coordinated with the planned fire remediation activities in the San Juan North Yard, allowing required outages to be consolidated and minimizing operational impacts. Additionally, the project fulfills obligations associated with the jointly owned facility under the executed Cost-Based Interconnection Agreement (CBI 25-02 San Juan Switchgear Replacement) with Tucson Electric Power (TEP).

Project No: **67607625** **San Juan Stn Switchgear Replacement**

Project Alternatives

The do-nothing alternative is not a viable option because it would leave the existing switchgear in service despite identified capacity limitations. As system loading and operational demands continue to exceed the equipment's intended capabilities, the risk of switchgear malfunction or failure increases.

Failure of the existing switchgear could result in unplanned outages, reduced system reliability, and potential impacts to transmission operations at San Juan Station. Continued operation without corrective action may also increase maintenance requirements, extend outage durations, and create safety and operational risks associated with aging equipment operating beyond its practical capacity.

Additionally, choosing not to replace the switchgear would forgo the opportunity to coordinate this work with the planned San Juan North Yard fire remediation outages, potentially resulting in additional future outages, higher overall project costs, and greater operational impacts. Therefore, the do-nothing alternative does not adequately address the identified equipment deficiencies or support the long-term reliability and safe operation of the station.

Project No: **67607625** **San Juan Stn Switchgear Replacement**

Project Estimate Approach

The estimate was based on the actual cost of the equipment to be installed and the external contractor cost estimate for installation. The design for this work was performed by the external design engineer that also designed the work for San Juan North Station with internal PNM oversight and approval. A 10% contingency was included in the estimate.

Project No: **67607625** **San Juan Stn Switchgear Replacement**

Customer Benefit

Replacing the undersized switchgear at San Juan Station with new Vistagear equipment will enhance system reliability and reduce the risk of equipment failure that could lead to customer outages. The upgraded switchgear will provide the capacity needed to safely support current system demands, improving operational performance and long-term service dependability. By coordinating the replacement with the planned San Juan North fire remediation outages, PNM can minimize additional service disruptions and complete multiple critical improvements during a single outage window, reducing impacts to customers while strengthening the overall resiliency of the local electric system

Project No: **67607625** **San Juan Stn Switchgear Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **67607625** **San Juan Stn Switchgear Replacement**

General Services

Reliability & Resiliency

This project improves reliability and resiliency by replacing undersized switchgear that no longer adequately supports current system requirements. The upgrade reduces the risk of equipment failure and potential outages while coordinating construction with planned fire remediation activities to minimize customer impacts and outage duration

Safety & Security

Technology Advancements

Project No: 67607625 San Juan Stn Switchgear Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	11,923	-	-	-	-	-	-	11,923
120: Overtime-General	1,631	-	-	-	-	-	-	1,631
350: Material Issues-Major	229,570	-	-	-	-	-	-	229,570
370: Outside Services	399,339	-	-	-	-	-	-	399,339
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	(283,542)	-	-	-	-	-	-	(283,542)
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,039	-	-	-	-	-	-	1,039
914: Pension and Benefits	2,204	-	-	-	-	-	-	2,204
915: Injuries and Damages	2,689	-	-	-	-	-	-	2,689
921: Stores Load	1,750	-	-	-	-	-	-	1,750
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	55,771	-	-	-	-	-	-	55,771
926: A&G Loads	34,416	-	-	-	-	-	-	34,416
928: AFUDC Debt	1,009	-	-	-	-	-	-	1,009
929: AFUDC Equity	699	-	-	-	-	-	-	699
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(407,247)	(20,251)	-	-	-	-	-	(427,498)
825: Closing Cost of Removal	-	(30,999)	-	-	-	-	-	(30,999)
Project Net	51,250	(51,250)	-	-	-	-	-	-

Project No: **67607625** **San Juan Stn Switchgear Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	11,923	-	-	-	-	-	-
120: Overtime-General	1,631	-	-	-	-	-	-
350: Material Issues-Major	229,570	-	-	-	-	-	-
370: Outside Services	399,339	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	(283,542)	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,039	-	-	-	-	-	-
914: Pension and Benefits	2,204	-	-	-	-	-	-
915: Injuries and Damages	2,689	-	-	-	-	-	-
921: Stores Load	1,750	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	55,771	-	-	-	-	-	-
926: A&G Loads	34,416	-	-	-	-	-	-
928: AFUDC Debt	1,009	-	-	-	-	-	-
929: AFUDC Equity	699	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(427,498)	-	-	-	-	-	-
825: Closing Cost of Removal	(30,999)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **67607625** **San Juan Stn Switchgear Replacement**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	11,923
120: Overtime-General	-	-	-	1,631
350: Material Issues-Major	-	-	-	229,570
370: Outside Services	-	-	-	399,339
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	(283,542)
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,039
914: Pension and Benefits	-	-	-	2,204
915: Injuries and Damages	-	-	-	2,689
921: Stores Load	-	-	-	1,750
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	55,771
926: A&G Loads	-	-	-	34,416
928: AFUDC Debt	-	-	-	1,009
929: AFUDC Equity	-	-	-	699
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(427,498)
825: Closing Cost of Removal	-	-	-	(30,999)
Project Net	-	-	-	-

Project No: 67607625 San Juan Stn Switchgear Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	11,923	-	-	-	11,923	-	-	-
120: Overtime-General	1,631	-	-	-	1,631	-	-	-
350: Material Issues-Major	229,570	-	-	-	229,570	-	-	-
370: Outside Services	399,339	-	-	-	399,339	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	(283,542)	-	-	-	(283,542)	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,039	-	-	-	1,039	-	-	-
914: Pension and Benefits	2,204	-	-	-	2,204	-	-	-
915: Injuries and Damages	2,689	-	-	-	2,689	-	-	-
921: Stores Load	1,750	-	-	-	1,750	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	55,771	-	-	-	55,771	-	-	-
926: A&G Loads	34,416	-	-	-	34,416	-	-	-
928: AFUDC Debt	1,009	-	-	-	1,009	-	-	-
929: AFUDC Equity	699	-	-	-	699	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(427,498)	-	-	-	(427,498)	-	-	-
825: Closing Cost of Removal	(30,999)	-	-	-	(30,999)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **67607625** **San Juan Stn Switchgear Replacement**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	11,923
120: Overtime-General	-	-	-	-	-	-	1,631
350: Material Issues-Major	-	-	-	-	-	-	229,570
370: Outside Services	-	-	-	-	-	-	399,339
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	(283,542)
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,039
914: Pension and Benefits	-	-	-	-	-	-	2,204
915: Injuries and Damages	-	-	-	-	-	-	2,689
921: Stores Load	-	-	-	-	-	-	1,750
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	55,771
926: A&G Loads	-	-	-	-	-	-	34,416
928: AFUDC Debt	-	-	-	-	-	-	1,009
929: AFUDC Equity	-	-	-	-	-	-	699
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(427,498)
825: Closing Cost of Removal	-	-	-	-	-	-	(30,999)
Project Net	-	-	-	-	-	-	-

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

Company: 002 Transmission Services
Location: 676 Transmission SJ Switchyard

Project Information County % Total System 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2030

Description

This project involves replacing two 345kV breakers that have reached end of life, are obsolete, and/or are out of service. The obsolete live tank 345kV breakers will be replaced with new, standard dead tank 345kV breakers.

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

Project Need Justification

The breakers meant to be replaced by this project are all at the end of their useful life and have been determined to need replacement by inspection or are already out of service due to damaged parts. Parts are obsolete and PNM is unable to do routine maintenance on them. These breakers provide protection for critical bulk electric power 345kV lines. During a breaker failure event, additional zones of protection must operate, affecting more lines. Out of service breakers reduce operational flexibility and reliability by changing the standard configuration of the station.

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

Project Alternatives

The only alternative considered is leaving the existing breakers online indefinitely or out of service(do nothing approach). This option is not acceptable due to the outage risk posed by the potential failure, as they've been determined to be close to failure based on inspection or have already failed.

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

Project Estimate Approach	This project was estimated using unit costs derived from previous breaker replacement projects and actual costs of the breakers themselves.

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

Customer Benefit

The main benefit to customers for this project is increased reliability. Should a breaker fail, it will cause the breakers on the next zone to operate. Breakers out of service reduce the reliability of a line by removing the reliability built in through the designed breaker-and-a-half configuration of the existing station. This could result in significant outages on critical bulk electric power 345kV lines.

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

General Services

Reliability & Resiliency

This project will result in increased reliability for the 345kV bulk electric power system in NW New Mexico. Should a breaker fail, it will cause the breakers on the next zone to operate causing an outage on those lines and affecting key interconnections with generators or other utilities.

Safety & Security

Technology Advancements

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	150,000	150,000	150,000	150,000	150,000	150,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	(68,614)	(68,614)	(68,614)	(68,614)	(68,614)	(68,614)
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	22,500	22,500	22,500	22,500	22,500	22,500
926: A&G Loads	-	5,625	5,625	5,625	5,625	5,625	5,625
928: AFUDC Debt	-	118	354	592	831	1,071	1,312
929: AFUDC Equity	-	159	479	801	1,124	1,449	1,775
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	109,789	110,345	110,904	111,466	112,031	112,599

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	150,000	150,000	150,000	1,350,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	(68,614)	(68,614)	(68,614)	(617,524)
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	22,500	22,500	22,500	202,500
926: A&G Loads	5,625	5,625	5,625	50,625
928: AFUDC Debt	1,555	1,799	2,044	9,675
929: AFUDC Equity	2,103	2,433	2,765	13,089
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	113,169	113,743	114,320	1,008,365

Project No: 67607626 San Juan 345kV Live Tank Breakers

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	1,350,000	150,000	150,000	150,000	1,800,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	(617,524)	(68,614)	(68,614)	(68,614)	(823,365)	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	202,500	22,500	22,500	22,500	270,000	-	-	-
926: A&G Loads	50,625	5,625	5,625	5,625	67,500	-	-	-
928: AFUDC Debt	9,675	2,290	2,538	2,787	17,291	-	-	-
929: AFUDC Equity	13,089	3,098	3,434	3,771	23,391	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(1,312,067)	(1,312,067)	-	-	-
825: Closing Cost of Removal	-	-	-	(42,750)	(42,750)	-	-	-
Project Net	1,008,365	114,900	115,483	(1,238,748)	0	-	-	-

Project No: **67607626** **San Juan 345kV Live Tank Breakers**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	1,800,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	(823,365)
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	270,000
926: A&G Loads	-	-	-	-	-	-	67,500
928: AFUDC Debt	-	-	-	-	-	-	17,291
929: AFUDC Equity	-	-	-	-	-	-	23,391
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,312,067)
825: Closing Cost of Removal	-	-	-	-	-	-	(42,750)
Project Net	-	-	-	-	-	-	0

Project No: **67607640** **SJ Lightning and Backup Power 26-01**

Company: 002 Transmission Services
Location: 676 Transmission SJ Switchyard

Project Information

County % San Juan 100%

Estimated Start Date 1/16/2026

Estimated Completion Date 3/31/2028

Description

The San Juan generation station was decommissioned in 2022, and the corresponding 345 kV station transmission lines, dead-end structures, and other auxiliary equipment have now been removed and demolished. The removed dead-end structures and corresponding shield wires have left certain areas of the 345 kV yard without lightning protection. In addition, the backup (emergency) station service was eliminated when the San Juan plant shut down. Having only one source to feed station services is unreliable and increases the risk of losing control and protection services for an extended period. This project aims to correct the gaps in lightning protection at the 345kV yard, install a new backup power generator at the 230kV station, and remove decommissioned structures, equipment and services inside the 345kV transmission station.

Project No: 67607640 SJ Lightning and Backup Power 26-01

Project Need Justification

This project enhances overall station safety and system reliability by addressing identified lightning protection deficiencies, providing backup service capabilities to support continued operations during equipment outages or contingency events, and removing decommissioned and obsolete infrastructure. These improvements reduce safety risks to personnel and equipment, improve operational resilience, eliminate unnecessary maintenance liabilities associated with retired assets, and help ensure the long-term reliability and functionality of the facility.

Project No: **67607640 SJ Lightning and Backup Power 26-01**

Project Alternatives

The other alternative considered was to do nothing. This alternative was considered insufficient due to the safety, reliability, and operational risks it presents. Without this project, the existing deficiencies would remain, increasing the probability of equipment failures, service disruptions, higher lifecycle costs, and potential impacts to customer reliability. The proposed investment proactively mitigates these risks and supports the continued safe and reliable operation of the electric system.

Project No: **67607640 SJ Lightning and Backup Power 26-01**

Project Estimate Approach	The project estimate is based on historical costs from similar station improvement projects and includes lightning protection upgrades, installation of a backup power generator, and removal of retired equipment and facilities. The estimate incorporates engineering, procurement, construction, project management, and appropriate contingency allowances based on the current level of project scope definition. Internal resources will provide project oversight and support, while specialized engineering services will be performed by external consultants. The estimate will be refined as design development progresses and additional cost information becomes available.

Project No: **67607640 SJ Lightning and Backup Power 26-01**

Customer Benefit

The San Juan Lightning and Backup Power Project enhances customer safety by reducing the risk of service interruptions caused by lightning-related events and loss of station power. Improvements to lightning protection systems and backup power capabilities help ensure critical substation equipment remains operational during adverse weather and emergency conditions, reducing the potential for equipment damage, extended outages, and operational safety hazards. By strengthening system protection and maintaining reliable operation of critical infrastructure, the project supports the safe and dependable delivery of electric service to customers.

Project No: **67607640** **SJ Lightning and Backup Power 26-01**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

Project No: **67607640** **SJ Lightning and Backup Power 26-01**

General Services

Reliability & Resiliency

This project strengthens both safety and reliability by addressing lightning protection vulnerabilities and ensuring backup power is available for critical station operations. The improvements reduce the risk of equipment failure, enhance worker and public safety, and help maintain reliable electric service during severe weather events and other system disturbances.

Safety & Security

This project mitigates identified lightning protection deficiencies, reducing safety risks and protecting critical infrastructure from lightning-related damage.

Technology Advancements

Project No: 67607640 SJ Lightning and Backup Power 26-01

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	2,500	2,500	2,500	2,500	2,500	12,500
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	7,939	7,939	7,939	7,939	7,939	39,695
370: Outside Services	-	-	26,465	26,465	26,465	26,465	26,465	132,325
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	(1,406)	(1,406)	(1,406)	(1,406)	(1,406)	(7,031)
904: SJ Switchyard AR-Other	-	-	(14,966)	(14,966)	(14,966)	(14,966)	(14,966)	(74,828)
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	191	191	191	191	191	953
914: Pension and Benefits	-	-	465	465	465	465	465	2,326
915: Injuries and Damages	-	-	495	495	495	495	495	2,475
921: Stores Load	-	-	340	340	340	340	340	1,702
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	2,188	2,188	2,188	2,188	2,188	10,941
926: A&G Loads	-	-	1,919	1,919	1,919	1,919	1,919	9,595
928: AFUDC Debt	-	-	31	94	157	220	283	784
929: AFUDC Equity	-	-	33	100	167	234	302	836
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	26,195	26,324	26,454	26,584	26,715	132,272

Project No: **67607640** **SJ Lightning and Backup Power 26-01**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	12,500	2,500	2,500	2,500	2,500	2,500	2,500
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	39,695	7,939	7,939	7,939	4,429	4,429	4,429
370: Outside Services	132,325	26,465	26,465	26,465	14,764	14,764	14,764
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	(7,031)	(1,408)	(1,408)	(1,408)	(1,408)	(1,408)	(1,408)
904: SJ Switchyard AR-Other	(74,828)	(16,085)	(16,085)	(16,085)	(9,082)	(9,082)	(9,082)
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	953	207	207	207	207	207	207
914: Pension and Benefits	2,326	475	475	475	475	475	475
915: Injuries and Damages	2,475	474	474	474	474	474	474
921: Stores Load	1,702	259	259	259	145	145	145
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	10,941	5,709	5,709	5,709	3,427	3,427	3,427
926: A&G Loads	9,595	1,384	1,384	1,384	813	813	813
928: AFUDC Debt	784	315	377	439	489	528	567
929: AFUDC Equity	836	426	510	594	662	714	766
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	132,272	28,660	28,805	28,951	17,894	17,985	18,076

Project No: **67607640** **SJ Lightning and Backup Power 26-01**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	2,500	2,500	2,500	35,000
120: Overtime-General	-	-	-	-
350: Material Issues-Major	4,429	4,429	4,429	90,086
370: Outside Services	14,764	14,764	14,764	300,304
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	(1,408)	(1,408)	(1,408)	(19,703)
904: SJ Switchyard AR-Other	(9,082)	(9,082)	(9,082)	(177,576)
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	207	207	207	2,811
914: Pension and Benefits	475	475	475	6,599
915: Injuries and Damages	474	474	474	6,741
921: Stores Load	145	145	145	3,349
922: Minor Material Load	-	-	-	-
925: E&S Loads	3,427	3,427	3,427	48,631
926: A&G Loads	813	813	813	18,628
928: AFUDC Debt	606	645	684	5,432
929: AFUDC Equity	819	872	926	7,124
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	18,168	18,260	18,353	327,425

Project No: 67607640 SJ Lightning and Backup Power 26-01

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	35,000	2,500	2,500	2,500	42,500	2,500	2,000	1,000
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	90,086	4,429	4,429	4,429	103,373	4,429	4,429	-
370: Outside Services	300,304	14,764	14,764	14,764	344,596	14,764	14,764	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	(19,703)	(1,408)	(1,408)	(1,408)	(23,927)	(1,408)	(1,126)	(563)
904: SJ Switchyard AR-Other	(177,576)	(9,082)	(9,082)	(9,082)	(204,824)	(9,062)	(9,013)	(98)
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	2,811	207	207	207	3,431	207	165	83
914: Pension and Benefits	6,599	475	475	475	8,023	475	380	190
915: Injuries and Damages	6,741	474	474	474	8,163	474	379	190
921: Stores Load	3,349	145	145	145	3,783	145	145	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	48,631	3,427	3,427	3,427	58,913	3,427	3,318	219
926: A&G Loads	18,628	813	813	813	21,068	761	744	35
928: AFUDC Debt	5,432	724	764	804	7,724	827	867	890
929: AFUDC Equity	7,124	979	1,033	1,087	10,224	1,305	1,367	1,404
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	(410,675)
825: Closing Cost of Removal	-	-	-	-	-	-	-	(12,981)
Project Net	327,425	18,446	18,540	18,634	383,046	18,844	18,418	(420,308)

Project No: **67607640** **SJ Lightning and Backup Power 26-01**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	48,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	112,231
370: Outside Services	-	-	-	-	-	-	374,124
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	(27,025)
904: SJ Switchyard AR-Other	-	-	-	-	-	-	(222,997)
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	3,885
914: Pension and Benefits	-	-	-	-	-	-	9,068
915: Injuries and Damages	-	-	-	-	-	-	9,206
921: Stores Load	-	-	-	-	-	-	4,073
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	65,877
926: A&G Loads	-	-	-	-	-	-	22,609
928: AFUDC Debt	-	-	-	-	-	-	10,307
929: AFUDC Equity	-	-	-	-	-	-	14,300
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(410,675)
825: Closing Cost of Removal	-	-	-	-	-	-	(12,981)
Project Net	-	-	-	-	-	-	0

Project No: **67607641** **SJ Switchyard Capital 26-02**

Company: 002 Transmission Services
Location: 676 Transmission SJ Switchyard

Project Information County % Total System 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 1/31/2027

Description

The purpose of this project is to fund any required capital projects at SJ 345kV Switchyard in 2026. Potential capital projects include building upgrades and refurbishments, emergent equipment replacements, improvements to common facilities and other minor capital work with individual projects not to exceed $250k.

Project No: **67607641 SJ Switchyard Capital 26-02**

Project Need Justification

The San Juan generation station was decommissioned in 2022, leaving certain exposures in the remaining San Juan system. This has prompted needed repairs to keep the equipment in a safe and secure manner while maintaining ownership liabilities in order to maintain safe station operations. If equipment that fails is not replaced, certain lines or devices connected into the station will be offline or will have an increased risk of unplanned outages, affecting the reliability of the generation and bulk electric power lines connected at this station.

Project No: **67607641** **SJ Switchyard Capital 26-02**

Project Alternatives

There are no viable alternatives as this station must be kept in full operation in order to serve PNM's customers and interconnectors that rely on power provided through the Four Corners area. The purpose of this blanket project is to cover small items, below $250k. A blanket was chosen in order to be able to respond more quickly to emergent failures as well as to more effectively group these small projects for discussion and billing to joint owner (Tucson Electric Power).

Project No: **67607641** **SJ Switchyard Capital 26-02**

Project Estimate Approach	Not required for projects with less than $250,000 of expenditures.

Project No: **67607641 SJ Switchyard Capital 26-02**

Customer Benefit

San Juan 345kV station is one of PNM's most critical stations and provides key connections into the larger Southwestern US bulk electric system. It serves as a hub for power purchased on the western market to reach PNM customers and for power being exported out of PNM's balancing area. Reliable operation of this station is needed to ensure reliable supply or export of power from PNM's load and customer generation in Eastern NM to the rest of the western market

Project No: **67607641** **SJ Switchyard Capital 26-02**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **67607641** **SJ Switchyard Capital 26-02**

General Services

Reliability & Resiliency

San Juan 345kV station is one of PNM's most critical stations and provides key connections into the larger Southwestern US bulk electric system. It serves as a hub for power purchased on the western market to reach PNM customers and for power being exported out of PNM's balancing area. Reliable operation of this station is needed to ensure reliable supply or export of power from PNM's load and customer generation in Eastern NM to the rest of the western market. This reduces the risk of unplanned outages that could potentially cover large portions of PNM's system.

Safety & Security

Technology Advancements

Project No: 67607641 SJ Switchyard Capital 26-02

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	23,098	23,098	23,098	23,098	23,098	23,098	138,588
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	(9,872)	(9,872)	(9,872)	(9,872)	(9,872)	(9,872)	(59,230)
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	1,328	1,328	1,328	1,328	1,328	1,328	7,969
926: A&G Loads	-	1,201	1,201	1,201	1,201	1,201	1,201	7,207
928: AFUDC Debt	-	19	56	94	132	171	209	682
929: AFUDC Equity	-	20	60	101	141	182	223	727
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	15,794	15,872	15,951	16,029	16,108	16,188	95,943

Project No: **67607641** **SJ Switchyard Capital 26-02**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	138,588	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	(59,230)	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	7,969	-	-	-	-	-	-
926: A&G Loads	7,207	-	-	-	-	-	-
928: AFUDC Debt	682	207	-	-	-	-	-
929: AFUDC Equity	727	280	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	(93,354)	-	-	-	-	-
825: Closing Cost of Removal	-	(3,075)	-	-	-	-	-
Project Net	95,943	(95,943)	-	-	-	-	-

Project No: **67607641** **SJ Switchyard Capital 26-02**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	-	-	-	138,588
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	(59,230)
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	7,969
926: A&G Loads	-	-	-	7,207
928: AFUDC Debt	-	-	-	889
929: AFUDC Equity	-	-	-	1,006
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(93,354)
825: Closing Cost of Removal	-	-	-	(3,075)
Project Net	-	-	-	0

Project No: 67607641 SJ Switchyard Capital 26-02

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	138,588	-	-	-	138,588	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	(59,230)	-	-	-	(59,230)	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	7,969	-	-	-	7,969	-	-	-
926: A&G Loads	7,207	-	-	-	7,207	-	-	-
928: AFUDC Debt	889	-	-	-	889	-	-	-
929: AFUDC Equity	1,006	-	-	-	1,006	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(93,354)	-	-	-	(93,354)	-	-	-
825: Closing Cost of Removal	(3,075)	-	-	-	(3,075)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: 67607641 SJ Switchyard Capital 26-02

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	138,588
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	(59,230)
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	7,969
926: A&G Loads	-	-	-	-	-	-	7,207
928: AFUDC Debt	-	-	-	-	-	-	889
929: AFUDC Equity	-	-	-	-	-	-	1,006
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(93,354)
825: Closing Cost of Removal	-	-	-	-	-	-	(3,075)
Project Net	-	-	-	-	-	-	0

PNM Exhibit JFO – 5

Distribution Capital Projects

Is contained in the following 520 pages.

PNM EXHIBIT JFO-5 Distribution Capital Projects

Project costs & closings data based on PowerPlan forecasted dollars.
Project information based on SharePoint supplemental data.
In Excel, click/tap a project number below to view detailed information for that project.
In Excel, hold CTRL button and click/tap left or right arrow to left of the sheet tabs to go to first or last sheet.
Projects forecasted to have less than $25,000 in absolute value in clearings during July 2026-September 2028 are listed at the bottom of the table of contents, but excluded from documentation.

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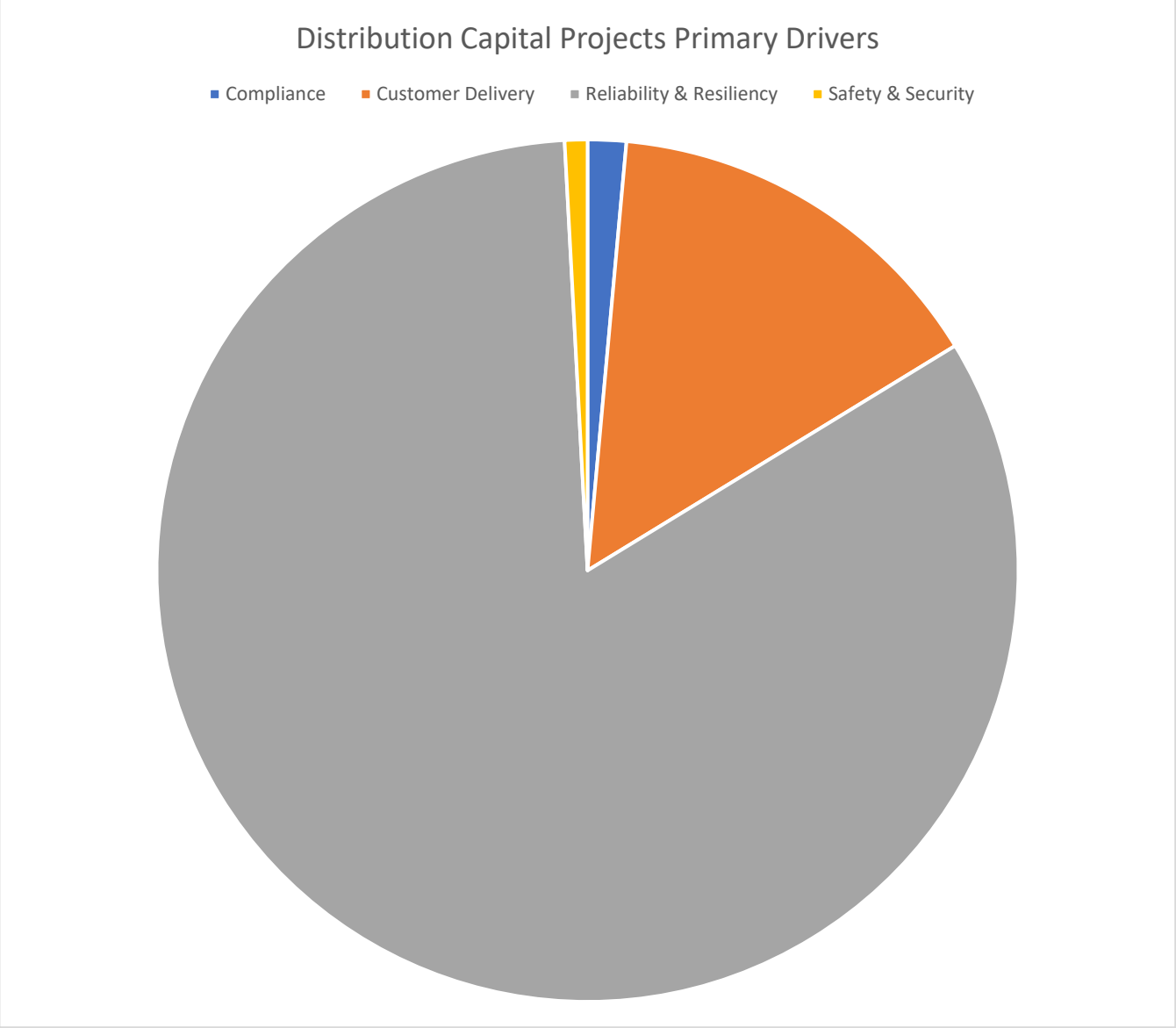
Project #	Project Name	Net BegBal-Jul-26	Costs 7/26-9/28	Clearings 7/26-9/28
10001626	CENT11 & VOLC11 Conductor Upgrade	-	743,578	(743,578)
10002010	Four Hills 13 to Lawrence 14 Feeder	252,754	618,950	(871,704)
10002022	Valencia Substation Rebuild	4,506,332	1,926,107	(6,432,439)
10002327	Central Feeder Upgrades	-	3,729,523	(3,729,523)
10002421	Sandia 46kV Breaker Replacement	2,921,204	4,137,637	(7,058,842)
10003020	ELDO12 Feeder Rebuild	438,652	39,935	(478,587)
10003225	Sandia 46kV Relay Replacement	2,516,690	430,171	(2,946,861)
10003521	LSCH12 Feeder Rebuild	82,477	-	(82,477)
10005726	Westpointe Substation-DIST	6,592,442	12,550,919	(19,143,361)
10005821	ISLE12 Feeder Rebuild	1,222,824	5,500,016	(3,331,783)
15102019	Tularosa 13 Ph Load Bal-Voltage Reg	132,641	354,088	(486,729)
15105222	Alamogordo Substation Co1	-	34,045,323	(34,045,323)
41001721	FOMA13 Feeder Rebuild	2,291,313	10,785	(2,302,099)
41002015	Caja del Rio 11 to Beckner 12 FT	-	3,594,185	(3,594,185)
41002023	El Dorado 12 Phase 2 Feeder Rebuild	803,451	1,709,043	(2,512,494)
41002124	Beckner 14 Line Extension	-	3,079,235	(3,079,235)
41002525	STPE12 HC Solution	1,326,510	1,994,683	(3,321,193)
41002724	COLI13 Feeder Rebuild Phase 2	934,031	4,300	(938,331)
41002824	Mejia 115kV Transformer LTC Failure	217,813	82,964	(300,777)
41005324	STPE13 Feeder Rebuild	6,576,964	1,951,801	(8,528,765)
41005525	Zia Substation Rebuild CO1	-	16,851,894	(14,801,968)
60001627	Distribution Telecom 2027-2028	-	8,205,570	(4,961,473)
60001725	Sub-Transmission Recloser Install	305,813	1,049,840	(1,355,654)
60001726	Distribution Telecom 2026-2027	-	10,266,831	(10,266,831)
60001925	Rodeo Substation Rebuild CO1	3,996,636	10,066,715	(14,063,351)
60002046	Distr Comm Improvement 2026-2030	-	304,007	(201,410)
60002124	Ideal Cement Sub Decommission	154,153	103,051	(257,204)
60002325	Project Oppidan	1,428,977	6,672	(1,435,649)
60002328	Tramway feeders	-	3,050,182	(3,050,182)
60002424	St Cecilia 11 Re-conductor	27,470	-	(27,470)
60002521	Prosperity Substation	721,578	1,943,110	(2,664,689)
60002526	Project Ranger	2,942,820	4,527,649	(7,470,469)
60002626	Central 15 Feeder	-	2,120,193	(2,120,193)
60002822	Tramway Substation	-	9,311,234	(9,311,234)
60003113	Morris 12 Feeder Rebuild	4,656,444	7,788,839	(10,687,837)
60003126	Project Lola	(364,305)	509,862	(145,557)
60003621	Distr Comm Improvement 2021-2025	178,027	61,921	(239,948)
60003625	Distribution HFA Feeder Relay Rplc	1,551,287	147,784	(1,699,071)
60003825	Valencia Distribution Feeders	-	7,810,053	(7,810,053)
60004325	Zia 46kV Relay Replacement	2,050,624	5,509,401	(6,153,355)
60005220	Palomas Station-Distribution	7,190,807	4,950,507	(7,845,434)
60005240	Progress 2 Expansion CO1	3,390,421	2,604,634	(5,995,055)
60005324	Distribution Relay Upgrades	7,010,404	7,136,479	(14,146,883)
Total		**66,057,256**	**180,829,673**	**(230,639,256)**

Table of Contents

Projects forecasted to have less than $25,000 in absolute value in clearings during July 2026-September 2028

Project #	Project Name	Clearings 7/26-9/28
10001725	Project Array	(12,866)
41001622	Caja Del Rio 13 Backbone Upgrade	36
60002619	Sagebrush Station-Distribution	2,234
Total		**(10,596)**



Primary Driver	Project #	Project Name	Clearings 7/26-9/28
Compliance	41002525	STPE12 HC Solution	(3,321,193)
Customer Delivery	10005726	Westpointe Substation-DIST	(19,143,361)
Customer Delivery	60002325	Project Oppidan	(1,435,649)
Customer Delivery	60002526	Project Ranger	(7,470,469)
Customer Delivery	60003126	Project Lola	(145,557)
Customer Delivery	60005240	Progress 2 Expansion CO1	(5,995,055)
Reliability & Resiliency	10001626	CENT11 & VOLC11 Conductor Upgrade	(743,578)
Reliability & Resiliency	10002010	Four Hills 13 to Lawrence 14 Feeder	(871,704)
Reliability & Resiliency	10002022	Valencia Substation Rebuild	(6,432,439)
Reliability & Resiliency	10002327	Central Feeder Upgrades	(3,729,523)
Reliability & Resiliency	10002421	Sandia 46kV Breaker Replacement	(7,058,842)
Reliability & Resiliency	10003020	ELDO12 Feeder Rebuild	(478,587)
Reliability & Resiliency	10003225	Sandia 46kV Relay Replacement	(2,946,861)
Reliability & Resiliency	10003521	LSCH12 Feeder Rebuild	(82,477)
Reliability & Resiliency	10005821	ISLE12 Feeder Rebuild	(3,331,783)
Reliability & Resiliency	15102019	Tularosa 13 Ph Load Bal-Voltage Reg	(486,729)
Reliability & Resiliency	15105222	Alamogordo Substation Co1	(34,045,323)

Primary Driver	Project #	Project Name	Clearings 7/26-9/28
Reliability & Resiliency	**41001721**	**FOMA13 Feeder Rebuild**	(2,302,099)
Reliability & Resiliency	**41002015**	**Caja del Rio 11 to Beckner 12 FT**	(3,594,185)
Reliability & Resiliency	**41002023**	**El Dorado 12 Phase 2 Feeder Rebuild**	(2,512,494)
Reliability & Resiliency	**41002124**	**Beckner 14 Line Extension**	(3,079,235)
Reliability & Resiliency	**41002724**	**COLI13 Feeder Rebuild Phase 2**	(938,331)
Reliability & Resiliency	**41002824**	**Mejia 115kV Transformer LTC Failure**	(300,777)
Reliability & Resiliency	**41005324**	**STPE13 Feeder Rebuild**	(8,528,765)
Reliability & Resiliency	**41005525**	**Zia Substation Rebuild CO1**	(14,801,968)
Reliability & Resiliency	**60001627**	**Distribution Telecom 2027-2028**	(4,961,473)
Reliability & Resiliency	**60001725**	**Sub-Transmission Recloser Install**	(1,355,654)
Reliability & Resiliency	**60001726**	**Distribution Telecom 2026-2027**	(10,266,831)
Reliability & Resiliency	**60001925**	**Rodeo Substation Rebuild CO1**	(14,063,351)
Reliability & Resiliency	**60002046**	**Distr Comm Improvement 2026-2030**	(201,410)
Reliability & Resiliency	**60002328**	**Tramway feeders**	(3,050,182)
Reliability & Resiliency	**60002424**	**St Cecilia 11 Re-conductor**	(27,470)
Reliability & Resiliency	**60002521**	**Prosperity Substation**	(2,664,689)
Reliability & Resiliency	**60002626**	**Central 15 Feeder**	(2,120,193)
Reliability & Resiliency	**60002822**	**Tramway Substation**	(9,311,234)
Reliability & Resiliency	**60003113**	**Morris 12 Feeder Rebuild**	(10,687,837)
Reliability & Resiliency	**60003621**	**Distr Comm Improvement 2021-2025**	(239,948)
Reliability & Resiliency	**60003825**	**Valencia Distribution Feeders**	(7,810,053)
Reliability & Resiliency	**60004325**	**Zia 46kV Relay Replacement**	(6,153,355)
Reliability & Resiliency	**60005220**	**Palomas Station-Distribution**	(7,845,434)
Reliability & Resiliency	**60005324**	**Distribution Relay Upgrades**	(14,146,883)
Safety & Security	**60002124**	**Ideal Cement Sub Decommission**	(257,204)
Safety & Security	**60003625**	**Distribution HFA Feeder Relay Rplc**	(1,699,071)
Grand Total			**(230,639,256)**

Driver	Percentage	Amount
Compliance	1.44%	(3,321,193)
Customer Delivery	14.82%	(34,190,092)
Reliability & Resiliency	82.89%	(191,171,695)
Safety & Security	0.85%	(1,956,275)
	100.00%	(230,639,256)

Project No: 10001626 CENT11 & VOLC11 Conductor Upgrade

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2030

Description

This project will make system improvements to Central Feeder 11 and Volcano Feeder 11 to mitigate an existing exposure that prevents load from being restored under the outage contingency plans following the loss of Volcano Feeder 11 or Central 13A.

Project No: 10001626 CENT11 & VOLC11 Conductor Upgrade

Project Need Justification

The Central-Volcano Area is primarily served by two substations, Central Substation with one 22.4 Megavolt-Amperes (MVA) transformer and Volcano Substation with two 33.7 MVA transformers. Central and Volcano substations have experienced considerable load growth in recent years. Synergi modeling of the projected 2025 peak load outage contingency plans for the loss of the Volcano One transformer shows a conductor overload along the tie path between Central Feeder 11 and Volcano Feeder 11. This overload is due to a smaller wire conductor. The present outage contingency plan for Central Feeder 11 transfers 100% of Central Feeder 11 to Volcano feeder 21. Central Feeder 11 could be transferred to Volcano Feeder 11 but due to the smaller conductor it can't. At this time, Volcano Feeder 21 is used to restore Central Feeder 11, when this happens, Volcano Feeder 21 cant be used to restore Central Feeder 13. Due to this, 37% of Central Feeder 13 then must transferred to Volcano Feeder 13.

Project No: **10001626 CENT11 & VOLC11 Conductor Upgrade**

Project Alternatives	Leaving the conductor as is means customers would remain without power during an outage until the issue is resolved because alternative back up options do not exist.

Project No: **10001626 CENT11 & VOLC11 Conductor Upgrade**

Project Estimate Approach	The project was estimated using historical PNM data from similar projects using engineering and labor resources. The major cost drivers for this project include equipment, services, and engineering design as applicable. In addition, Class-5 rough order of magnitude estimates were utilized and based on current industry standards.

Project No: **10001626 CENT11 & VOLC11 Conductor Upgrade**

Customer Benefit	The feeder upgrades will accommodate future load growth in the area while providing greater system flexibility to transfer and serve loads during unplanned outages.

Project No: 10001626 CENT11 & VOLC11 Conductor Upgrade

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **10001626** **CENT11 & VOLC11 Conductor Upgrade**

General Services

Reliability & Resiliency

Upgrade of lines increases capacity to allows for switching capabilities due to unforeseen outages.

Safety & Security

Technology Advancements

Project No: 10001626 CENT11 & VOLC11 Conductor Upgrade

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **10001626** **CENT11 & VOLC11 Conductor Upgrade**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	54,333	54,333	54,333	54,333	54,333	54,333
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	3,803	3,803	3,803	3,803	3,803	3,803
926: A&G Loads	-	2,038	2,038	2,038	2,038	2,038	2,038
928: AFUDC Debt	-	62	187	313	439	566	693
929: AFUDC Equity	-	84	253	423	594	765	938
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	60,321	60,614	60,910	61,207	61,505	61,805

Project No: 10001626 CENT11 & VOLC11 Conductor Upgrade

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	54,333	54,333	54,333	489,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	3,803	3,803	3,803	34,230
926: A&G Loads	2,038	2,038	2,038	18,338
928: AFUDC Debt	821	950	1,080	5,110
929: AFUDC Equity	1,111	1,285	1,460	6,913
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	62,106	62,410	62,714	553,591

Project No: 10001626 CENT11 & VOLC11 Conductor Upgrade

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	489,000	54,333	54,333	54,333	652,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	34,230	3,803	3,803	3,803	45,640	-	-	-
926: A&G Loads	18,338	2,038	2,038	2,038	24,450	-	-	-
928: AFUDC Debt	5,110	1,210	1,341	1,472	9,133	-	-	-
929: AFUDC Equity	6,913	1,637	1,814	1,992	12,355	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(693,032)	(693,032)	-	-	-
825: Closing Cost of Removal	-	-	-	(50,546)	(50,546)	-	-	-
Project Net	553,591	63,021	63,328	(679,940)	-	-	-	-

Project No: **10001626** **CENT11 & VOLC11 Conductor Upgrade**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	652,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	45,640
926: A&G Loads	-	-	-	-	-	-	24,450
928: AFUDC Debt	-	-	-	-	-	-	9,133
929: AFUDC Equity	-	-	-	-	-	-	12,355
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(693,032)
825: Closing Cost of Removal	-	-	-	-	-	-	(50,546)
Project Net	-	-	-	-	-	-	-

Project No: 10002010 Four Hills 13 to Lawrence 14 Feeder

Company:	001	Electric Services
Location:	100	Albuquerque Electric Services

Project Information

County %	Bernalillo	100%

Estimated Start Date 1/20/2014

Estimated Completion Date 12/31/2027

Description

The purpose of this project is to establish a new feeder tie which will enable Lawrence 14 to back up Four Hills 13. This new feeder tie will create a one-to-one feeder backup configuration between Four Hills 13 and Lawrence 14, and between Four Hills 11 and Lawrence
12. This will reduce the restoration time during an outage by reducing the number of switching steps to back up each feeder. This new feeder tie will also allow Four Hills 13 to serve as an alternate backup source to a portion of the East Mountain area in the event of an outage on the 46kV ID line.

Project No: 10002010 Four Hills 13 to Lawrence 14 Feeder

Project Need Justification

The new feeder tie will create a one-to-one feeder backup configuration between Four Hills 13 and Lawrence 14, and between Four Hills 11 and Lawrence 12, which will reduce outage restoration time by reducing the number of switching steps required to back up each feeder. The new feeder tie will also allow Four Hills 13 to serve as a backup source for a portion of the East Mountain area in the event of an outage on the 46kV ID line. Presently, Lawrence 14 is the only backup for the East Mountain area during an outage of the radial 46kV ID line. Now with this feeder tie, Four Hills 13 can also serve as a backup source alongside Lawrence 14.

Project No: **10002010** **Four Hills 13 to Lawrence 14 Feeder**

Project Alternatives

Alternative 1) Do nothing. A no-action approach was not considered as no action would result in extended customer outages during peak loading conditions when Four Hills substation is out of service.
Alternative 2) Build a new substation that can be used to support the existing load in the Four Hills area and the East Mountains area and be used as an alternative source to backup for contingency purposes.
Alternative 3) Add another Unit 2 transformer to Four Hills Substation in order to support the existing load and provide an alternative source to be used as a backup for contingency purposes.

These options were not accepted as paths forward due to costs associated with a substation build and transformer equipment cost. Establishing a new feeder tie was determined to be the more cost effective and timely solution.

Project No: **10002010 Four Hills 13 to Lawrence 14 Feeder**

Project Estimate Approach	A construction level cost estimate for this project was developed. The major cost drivers for this project include equipment, outside services, and engineering design. Major equipment associated with the project includes an overhead conductor, utility poles, and a Scada-Mate Switch. The equipment component cost estimates were developed using PNM's average system unit price index for equipment. Labor/design estimates were developed using PNM's labor database.

Project No: **10002010** **Four Hills 13 to Lawrence 14 Feeder**

Customer Benefit	This project will ensure PNM can maintain service to residential and commercial customers for an outage to Four Hills 13 with a direct back up from Lawrence 14. The project ensures voltages and equipment loading remain within PNM's operational limits (ANSI Range-B) when East Mountain feeders are transferred because of an outage of 46kV ID line.

Project No: 10002010 Four Hills 13 to Lawrence 14 Feeder

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **10002010** **Four Hills 13 to Lawrence 14 Feeder**

General Services

Reliability & Resiliency

This project is a reliability-driven project. This project will ensure PNM can maintain service to residential and commercial customers in the event of an outage to Four Hills substation/feeder 13. No action would result in an extended customer outage during peak loading conditions when Four Hills substation is out of service. An extended customer outage would have deleterious effect on System Average Interruption Duration Index (SAIDI).

Safety & Security

Technology Advancements

Project No: 10002010 Four Hills 13 to Lawrence 14 Feeder

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	51,647	-	-	-	-	-	-	51,647
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	9,762	-	-	-	-	-	-	9,762
370: Outside Services	82,571	300,000	200,000	50,000	-	-	-	632,571
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,059	-	-	-	-	-	-	2,059
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	3,821	-	-	-	-	-	-	3,821
914: Pension and Benefits	11,167	-	-	-	-	-	-	11,167
915: Injuries and Damages	5,481	-	-	-	-	-	-	5,481
921: Stores Load	404	-	-	-	-	-	-	404
922: Minor Material Load	543	-	-	-	-	-	-	543
925: E&S Loads	16,506	19,500	13,000	3,250	-	-	-	52,256
926: A&G Loads	7,928	15,600	10,400	2,600	-	-	-	36,528
928: AFUDC Debt	28,858	1,008	517	701	-	-	-	31,085
929: AFUDC Equity	32,007	1,074	551	748	-	-	-	34,380
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	(460,604)	(56,301)	(311,794)	-	-	-	(828,699)
825: Closing Cost of Removal	-	(19,073)	(3,582)	(20,350)	-	-	-	(43,005)
Project Net	252,754	(142,495)	164,586	(274,845)	-	-	-	0

Project No: **10002010** **Four Hills 13 to Lawrence 14 Feeder**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	51,647	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	9,762	-	-	-	-	-	-
370: Outside Services	632,571	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	2,059	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	3,821	-	-	-	-	-	-
914: Pension and Benefits	11,167	-	-	-	-	-	-
915: Injuries and Damages	5,481	-	-	-	-	-	-
921: Stores Load	404	-	-	-	-	-	-
922: Minor Material Load	543	-	-	-	-	-	-
925: E&S Loads	52,256	-	-	-	-	-	-
926: A&G Loads	36,528	-	-	-	-	-	-
928: AFUDC Debt	31,085	-	-	-	-	-	-
929: AFUDC Equity	34,380	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(828,699)	-	-	-	-	-	-
825: Closing Cost of Removal	(43,005)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **10002010** **Four Hills 13 to Lawrence 14 Feeder**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	51,647
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	9,762
370: Outside Services	-	-	-	632,571
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	2,059
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	3,821
914: Pension and Benefits	-	-	-	11,167
915: Injuries and Damages	-	-	-	5,481
921: Stores Load	-	-	-	404
922: Minor Material Load	-	-	-	543
925: E&S Loads	-	-	-	52,256
926: A&G Loads	-	-	-	36,528
928: AFUDC Debt	-	-	-	31,085
929: AFUDC Equity	-	-	-	34,380
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(828,699)
825: Closing Cost of Removal	-	-	-	(43,005)
Project Net	-	-	-	0

Project No: 10002010 Four Hills 13 to Lawrence 14 Feeder

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	51,647	-	-	-	51,647	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	9,762	-	-	-	9,762	-	-	-
370: Outside Services	632,571	-	-	-	632,571	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,059	-	-	-	2,059	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	3,821	-	-	-	3,821	-	-	-
914: Pension and Benefits	11,167	-	-	-	11,167	-	-	-
915: Injuries and Damages	5,481	-	-	-	5,481	-	-	-
921: Stores Load	404	-	-	-	404	-	-	-
922: Minor Material Load	543	-	-	-	543	-	-	-
925: E&S Loads	52,256	-	-	-	52,256	-	-	-
926: A&G Loads	36,528	-	-	-	36,528	-	-	-
928: AFUDC Debt	31,085	-	-	-	31,085	-	-	-
929: AFUDC Equity	34,380	-	-	-	34,380	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(828,699)	-	-	-	(828,699)	-	-	-
825: Closing Cost of Removal	(43,005)	-	-	-	(43,005)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: 10002010 Four Hills 13 to Lawrence 14 Feeder

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	51,647
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	9,762
370: Outside Services	-	-	-	-	-	-	632,571
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	2,059
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	3,821
914: Pension and Benefits	-	-	-	-	-	-	11,167
915: Injuries and Damages	-	-	-	-	-	-	5,481
921: Stores Load	-	-	-	-	-	-	404
922: Minor Material Load	-	-	-	-	-	-	543
925: E&S Loads	-	-	-	-	-	-	52,256
926: A&G Loads	-	-	-	-	-	-	36,528
928: AFUDC Debt	-	-	-	-	-	-	31,085
929: AFUDC Equity	-	-	-	-	-	-	34,380
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(828,699)
825: Closing Cost of Removal	-	-	-	-	-	-	(43,005)
Project Net	-	-	-	-	-	-	0

Project No: 10002022 Valencia Substation Rebuild

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County % San Miguel 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 3/31/2027

Description

This project consists of rebuild of the existing 115/46kV Valencia Substation as a 115/12.47kV unit substation. The project will consist of a 115/12.47 kV, 33 MVA transformer and one four feeder switchgear with a fifth position for a tie breaker. It also includes replacement of the two existing 115kV breakers and relays. The project will remove and retire the existing Baca substation and all 46kV facilities in the Las Vegas area. Three new distribution feeders will be extended from the new switchgear to connect to the existing distribution feeder system in the area.

Project No: **10002022** **Valencia Substation Rebuild**

Project Need Justification

The new transformer at Valencia will replace the existing Baca, 46-12.47kV, 6.25MVA transformer. This unit was taken offline in October 2021 due to high dissolved combustible gasses that point to an internal fault. PNM personnel concluded that the unit cannot be placed back into service and a mobile substation was installed to provide power in the meantime.

In addition to replacing failed equipment, the new Valencia transformer will provide additional substation transformer and feeder capacity to the Las Vegas area for normal and emergency conditions.

Installation of the new transformer at Valencia instead of the location of the failed transformer at Baca will allow for decommissioning of the existing 115/46kV Valencia transformer and all of the 46kV facilities in Las Vegas. This removes aging infrastructure from service that would need replacement in the near future and simplify the system, reducing exposure to element failure.

Rebuilding Valencia by replacing the existing breakers will increase reliability and replace non-standard and aging equipment. The existing breakers are 43 and 49 years old, which is past the end of their useful life.

Project No: **10002022** **Valencia Substation Rebuild**

Project Alternatives

1. Do nothing. Remove the failed equipment at Baca substation without replacement. This option is not acceptable as it would not meet the system requirements of the Las Vegas area.
2. Replacement of the failed transformer at Baca. This option was rejected as would require the use of non-standard equipment, would not improve reliability, and does not address the risk of additional aging infrastructure needing replacement in the future.

Project No: **10002022** **Valencia Substation Rebuild**

Project Estimate Approach	This project was estimated based on other project estimates. Actuals from previous station projects were used to create the base estimate, which was adjusted based on planned quantities of equipment and actual costs of long lead equipment. It assumes that the rebuilt Valencia station can be built on existing PNM property and that a fence (vs a wall) is sufficient for security and permitting purposes.

Project No: **10002022** **Valencia Substation Rebuild**

Customer Benefit

This project benefits our customers by increasing reliability in the area. At the transmission level, the new sectionalizing breakers reduces the risk of outages on the planned transformer feeding the area distribution system. In addition, a new, standard size transformer provides additional capacity to provide back up for nearby substations Arriba and Gallinas. Also, the decommissioning of the 46kV facilities and resulting simplification of the system further reduces the risk of future outages due to failing aged infrastructure.

Project No:	**10002022**	**Valencia Substation Rebuild**
Primary Value Driver	Reliability & Resiliency	
Compliance		
Customer Delivery	Restoring the capacity lost with the failure of the Baca transformer is critical to serve new and existing customers in the area.	
Energy Transition		

Project No: **10002022** **Valencia Substation Rebuild**

General Services

Reliability & Resiliency

At the transmission level, the new breakers at Valencia reduce the risk of outages on the planned transformer feeding the area distribution system. In addition, a new, standard size transformer provides additional capacity to provide back up for nearby substations Arriba and Gallinas. Also, the decommissioning of the 46kV facilities and resulting simplification of the system further reduces the risk of future outages due to failing aged infrastructure. This should all translate to better SAIDI numbers in the area.

Safety & Security

Technology Advancements

Project No: 10002022 Valencia Substation Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	69,262	464	18,573	464	464	464	464	90,157
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	2,471,802	-	836,728	-	-	-	-	3,308,530
370: Outside Services	1,057,419	-	-	-	-	-	-	1,057,419
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,917	-	-	-	-	-	-	1,917
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	5,581	35	1,415	35	35	35	35	7,173
914: Pension and Benefits	13,829	86	3,456	86	86	86	86	17,718
915: Injuries and Damages	12,532	92	3,678	92	92	92	92	16,669
921: Stores Load	69,755	-	190,674	-	-	-	-	260,429
922: Minor Material Load	25,051	-	-	-	-	-	-	25,051
925: E&S Loads	322,529	44	56,150	44	44	44	44	378,899
926: A&G Loads	135,442	24	44,476	24	24	24	24	180,038
928: AFUDC Debt	191,362	11,016	12,398	13,787	13,859	13,931	14,004	270,355
929: AFUDC Equity	129,853	11,740	13,213	14,693	14,770	14,847	14,924	214,041
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,706,770)	(5,706,770)
825: Closing Cost of Removal	-	-	-	-	-	-	(121,626)	(121,626)
Project Net	4,506,332	23,503	1,180,761	29,226	29,375	29,524	(5,798,721)	(0)

Project No: **10002022** **Valencia Substation Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	90,157	2,500	2,500	2,500	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	3,308,530	17,500	35,000	17,500	-	-	-
370: Outside Services	1,057,419	112,500	225,000	112,500	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	1,917	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	7,173	207	207	207	-	-	-
914: Pension and Benefits	17,718	475	475	475	-	-	-
915: Injuries and Damages	16,669	474	474	474	-	-	-
921: Stores Load	260,429	2,934	5,869	2,934	-	-	-
922: Minor Material Load	25,051	-	-	-	-	-	-
925: E&S Loads	378,899	9,356	18,456	9,356	-	-	-
926: A&G Loads	180,038	4,969	9,844	4,969	-	-	-
928: AFUDC Debt	270,355	156	621	1,089	-	-	-
929: AFUDC Equity	214,041	211	841	1,473	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(5,706,770)	-	-	(562,068)	-	-	-
825: Closing Cost of Removal	(121,626)	-	-	(41,976)	-	-	-
Project Net	(0)	151,282	299,285	(450,567)	-	-	-

Project No: 10002022 Valencia Substation Rebuild

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	97,657
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	3,378,530
370: Outside Services	-	-	-	1,507,419
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	1,917
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	7,792
914: Pension and Benefits	-	-	-	19,142
915: Injuries and Damages	-	-	-	18,091
921: Stores Load	-	-	-	272,166
922: Minor Material Load	-	-	-	25,051
925: E&S Loads	-	-	-	416,067
926: A&G Loads	-	-	-	199,820
928: AFUDC Debt	-	-	-	272,222
929: AFUDC Equity	-	-	-	216,565
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(6,268,837)
825: Closing Cost of Removal	-	-	-	(163,602)
Project Net	-	-	-	(0)

Project No: 10002022 Valencia Substation Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	97,657	-	-	-	97,657	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	3,378,530	-	-	-	3,378,530	-	-	-
370: Outside Services	1,507,419	-	-	-	1,507,419	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,917	-	-	-	1,917	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	7,792	-	-	-	7,792	-	-	-
914: Pension and Benefits	19,142	-	-	-	19,142	-	-	-
915: Injuries and Damages	18,091	-	-	-	18,091	-	-	-
921: Stores Load	272,166	-	-	-	272,166	-	-	-
922: Minor Material Load	25,051	-	-	-	25,051	-	-	-
925: E&S Loads	416,067	-	-	-	416,067	-	-	-
926: A&G Loads	199,820	-	-	-	199,820	-	-	-
928: AFUDC Debt	272,222	-	-	-	272,222	-	-	-
929: AFUDC Equity	216,565	-	-	-	216,565	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(6,268,837)	-	-	-	(6,268,837)	-	-	-
825: Closing Cost of Removal	(163,602)	-	-	-	(163,602)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: 10002022 Valencia Substation Rebuild

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	97,657
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	3,378,530
370: Outside Services	-	-	-	-	-	-	1,507,419
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	1,917
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	7,792
914: Pension and Benefits	-	-	-	-	-	-	19,142
915: Injuries and Damages	-	-	-	-	-	-	18,091
921: Stores Load	-	-	-	-	-	-	272,166
922: Minor Material Load	-	-	-	-	-	-	25,051
925: E&S Loads	-	-	-	-	-	-	416,067
926: A&G Loads	-	-	-	-	-	-	199,820
928: AFUDC Debt	-	-	-	-	-	-	272,222
929: AFUDC Equity	-	-	-	-	-	-	216,565
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(6,268,837)
825: Closing Cost of Removal	-	-	-	-	-	-	(163,602)
Project Net	-	-	-	-	-	-	(0)

Project No: **10002327** **Central Feeder Upgrades**

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

This project upgrades the distribution feeders leaving Central Substation. The upgrade increases the capacity of those feeders and places them in conduit to increase reliability.

Project No: **10002327** **Central Feeder Upgrades**

Project Need Justification

The Central Substation transformer must be upgraded resolve PNM planning criteria violations and provide capacity for additional growth. The Central-Volcano Area is primarily served by two substations, Central Substation with one 22.4 Megavolt-Amperes (MVA) transformer and Volcano substation with two 33.7 MVA transformers. The Central and Volcano substation areas have experienced considerable load growth in recent years. During the 2024 peak season, the Central transformer was loaded to 74% of its normal rating. Project Oppidan is a new 3.6 MW economic development project that is planned to be energized on Central Feeder 13 in the Fall of 2025. Once Project Oppidan is energized, it is anticipated that the Central Substation transformer will be loaded to 20.11 MVA, approximately 90% of the transformer normal rating, which is past 80% of normal rating PNM planning criteria limit. There have been multiple other development project requests within the past year in the Central Substation distribution area, ranging from 1 MW to 18 MW. Should any additional new development be connected in this area, the Central Substation transformer is at risk of overloading.

Project No: **10002327** **Central Feeder Upgrades**

Project Alternatives	The alternative is not to upgrade the feeders. That is not viable: without the upgrade the feeders cannot carry the capacity the area requires, and the additional capacity from the upgraded substation transformer could not be fully used.

Project No: **10002327** **Central Feeder Upgrades**

Project Estimate Approach	The estimate is all inclusive for design, procurement, and build. Quotes for major equipment and estimating models from previous installations were used to determine pricing for current project.

Project No: **10002327** **Central Feeder Upgrades**

Customer Benefit	This project will upgrade the Central distribution feeder's backbone to PNM's current standards for poles, wire, transformers, and other distribution equipment. This will increase PNM's ability to accommodate load growth in this area and improve reliability to existing customers. The project will also reduce the risk of customer outages, reduce environmental impacts (e.g., all poles will be raptor safe), and allow for more electrification onto the system - including more photovoltaic (PV) solar and electric vehicles.

Project No: 10002327 Central Feeder Upgrades

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **10002327** **Central Feeder Upgrades**

General Services

Reliability & Resiliency

Feeder upgrades to create more capacity and backup in the area to help with restoration do to unforeseen outages.

Safety & Security

Technology Advancements

Project No: 10002327 Central Feeder Upgrades

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **10002327** **Central Feeder Upgrades**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	25,000	25,000	25,000	25,000	25,000	25,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	75,000	75,000	75,000	75,000	75,000	75,000
370: Outside Services	-	150,000	150,000	150,000	150,000	150,000	150,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	2,065	2,065	2,065	2,065	2,065	2,065
914: Pension and Benefits	-	4,748	4,748	4,748	4,748	4,748	4,748
915: Injuries and Damages	-	4,740	4,740	4,740	4,740	4,740	4,740
921: Stores Load	-	12,576	12,576	12,576	12,576	12,576	12,576
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	18,309	18,309	18,309	18,309	18,309	18,309
926: A&G Loads	-	9,375	9,375	9,375	9,375	9,375	9,375
928: AFUDC Debt	-	312	939	1,568	2,201	2,837	3,476
929: AFUDC Equity	-	422	1,270	2,121	2,977	3,838	4,703
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	302,547	304,020	305,501	306,990	308,487	309,991

Project No: 10002327 Central Feeder Upgrades

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	25,000	25,000	25,000	225,000
120: Overtime-General	-	-	-	-
350: Material Issues-Major	75,000	75,000	75,000	675,000
370: Outside Services	150,000	150,000	150,000	1,350,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	2,065	2,065	2,065	18,585
914: Pension and Benefits	4,748	4,748	4,748	42,728
915: Injuries and Damages	4,740	4,740	4,740	42,660
921: Stores Load	12,576	12,576	12,576	113,184
922: Minor Material Load	-	-	-	-
925: E&S Loads	18,309	18,309	18,309	164,778
926: A&G Loads	9,375	9,375	9,375	84,375
928: AFUDC Debt	4,119	4,765	5,415	25,632
929: AFUDC Equity	5,572	6,447	7,325	34,676
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	311,504	313,024	314,552	2,776,617

Project No: 10002327 Central Feeder Upgrades

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	225,000	25,000	25,000	25,000	300,000	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	675,000	75,000	75,000	75,000	900,000	-	-	-
370: Outside Services	1,350,000	150,000	150,000	150,000	1,800,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	18,585	2,065	2,065	2,065	24,780	-	-	-
914: Pension and Benefits	42,728	4,748	4,748	4,748	56,970	-	-	-
915: Injuries and Damages	42,660	4,740	4,740	4,740	56,880	-	-	-
921: Stores Load	113,184	12,576	12,576	12,576	150,912	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	164,778	18,309	18,309	18,309	219,704	-	-	-
926: A&G Loads	84,375	9,375	9,375	9,375	112,500	-	-	-
928: AFUDC Debt	25,632	6,068	6,724	7,384	45,807	-	-	-
929: AFUDC Equity	34,676	8,209	9,096	9,989	61,970	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(3,476,001)	(3,476,001)	-	-	-
825: Closing Cost of Removal	-	-	-	(253,522)	(253,522)	-	-	-
Project Net	2,776,617	316,088	317,633	(3,410,338)	0	-	-	-

Project No: 10002327 Central Feeder Upgrades

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	300,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	900,000
370: Outside Services	-	-	-	-	-	-	1,800,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	24,780
914: Pension and Benefits	-	-	-	-	-	-	56,970
915: Injuries and Damages	-	-	-	-	-	-	56,880
921: Stores Load	-	-	-	-	-	-	150,912
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	219,704
926: A&G Loads	-	-	-	-	-	-	112,500
928: AFUDC Debt	-	-	-	-	-	-	45,807
929: AFUDC Equity	-	-	-	-	-	-	61,970
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(3,476,001)
825: Closing Cost of Removal	-	-	-	-	-	-	(253,522)
Project Net	-	-	-	-	-	-	0

Project No: **10002421** **Sandia 46kV Breaker Replacement**

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 12/31/2028

Description

This project involves replacing several 46kV breakers that have reached end of life, are obsolete, and/or are limiting the capacity of 46kV lines in the system. The obsolete 46kV breakers will be replaced with new, standard 72kV class breakers.

Project No: **10002421** **Sandia 46kV Breaker Replacement**

Project Need Justification

The breakers meant to be replaced by this project are all at the end of their useful life and have been determined to need replacement by inspection. Parts are obsolete and PNM is unable to do routine maintenance on them. In addition, the current transformers (CT) on the breakers are the current limiting factors on the lines. Replacement of the breakers will also improve the rating on the transmission lines as new standard breakers have CTs of higher capacity. The existing breakers are oil filled. Replacement with modern SF6 breakers will also reduce the risk of environmental effects from oil spills or leaks.

Project No: **10002421** **Sandia 46kV Breaker Replacement**

Project Alternatives

The only alternative considered is leaving the existing breakers online indefinitely (do nothing approach). This option is not acceptable due to the outage risk posed by the potential failure, as they've been determined to be close to failure based on inspection. Should a breaker fail, it will cause the breakers on the next zone to operate. This will most likely result in an outage on the facilities and customers being fed off the 46kV system from Sandia, being Kirtland Air Force Base and the whole East Mountains communities. Planned replacement allows for switching to prevent unplanned, prolonged outages.

Project No: 10002421 Sandia 46kV Breaker Replacement

Project Estimate Approach	This project was estimated using unit costs derived from previous breaker replacement projects and actual costs of the breakers themselves. The current project estimate assumes relays are not moved into the new Sandia control enclosure or that those costs are covered through another project.

Project No: **10002421** **Sandia 46kV Breaker Replacement**

Customer Benefit	The main benefit to customers for this project is increased reliability. Should a breaker fail, it will cause the breakers on the next zone to operate. This will most likely result in an outage for customers being fed off the 46kV system from Sandia, being Kirtland Air Force Base and the whole east mountains communities.

Project No: **10002421 Sandia 46kV Breaker Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **10002421** **Sandia 46kV Breaker Replacement**

General Services

Reliability & Resiliency

This project will result in increased reliability for the customers being fed off the Sandia 46kV system, Should a breaker fail, it will cause the breakers on the next zone to operate causing an outage on those customers being fed from lines or buses in the 46kV system, including Kirtland Air Force Base, the GCC cement plant, and the whole East Mountains community.

Safety & Security

Technology Advancements

Project No: 10002421 Sandia 46kV Breaker Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	361,364	-	-	-	-	-	-	361,364
120: Overtime-General	248,058	-	-	-	-	-	-	248,058
350: Material Issues-Major	878,431	-	-	-	179,051	92,867	-	1,150,349
370: Outside Services	1,900,532	76,460	76,460	76,460	179,567	353,227	-	2,662,705
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	12,500	12,500
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	185,063	-	-	-	-	-	-	185,063
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	46,826	-	-	-	-	-	-	46,826
914: Pension and Benefits	106,494	-	-	-	-	-	-	106,494
915: Injuries and Damages	121,466	-	-	-	-	-	-	121,466
921: Stores Load	11,585	-	-	-	40,802	21,162	-	73,550
922: Minor Material Load	293	-	-	-	-	-	-	293
925: E&S Loads	212,934	4,970	4,970	4,970	23,310	28,996	813	280,963
926: A&G Loads	166,100	3,976	3,976	3,976	18,648	23,197	650	220,523
928: AFUDC Debt	56,952	6,080	6,307	3,990	4,614	5,740	6,381	90,064
929: AFUDC Equity	38,940	6,480	6,722	4,252	4,918	6,117	6,800	74,229
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,413,834)	-	(1,032,007)	-	-	-	(1,508,199)	(3,954,039)
825: Closing Cost of Removal	-	-	(200,779)	-	-	-	(220,555)	(421,334)
Project Net	2,921,204	97,966	(1,134,352)	93,647	450,911	531,306	(1,701,610)	1,259,073

Project No: **10002421** **Sandia 46kV Breaker Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	361,364	-	-	-	-	-	-
120: Overtime-General	248,058	-	-	-	-	-	-
350: Material Issues-Major	1,150,349	173,836	90,162	-	173,836	90,162	-
370: Outside Services	2,662,705	177,042	342,939	-	177,042	342,939	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	12,500	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	185,063	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	46,826	-	-	-	-	-	-
914: Pension and Benefits	106,494	-	-	-	-	-	-
915: Injuries and Damages	121,466	-	-	-	-	-	-
921: Stores Load	73,550	29,149	15,118	-	29,149	15,118	-
922: Minor Material Load	293	-	-	-	-	-	-
925: E&S Loads	280,963	24,561	30,317	-	24,561	30,317	-
926: A&G Loads	220,523	13,158	16,241	-	13,158	16,241	-
928: AFUDC Debt	90,064	2,876	3,836	4,368	4,823	5,792	4,180
929: AFUDC Equity	74,229	3,891	5,189	5,909	6,525	7,836	5,655
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(3,954,039)	-	-	-	-	(968,276)	-
825: Closing Cost of Removal	(421,334)	-	-	-	-	(98,089)	-
Project Net	1,259,073	424,514	503,803	10,277	429,094	(557,959)	9,835

Project No: 10002421 Sandia 46kV Breaker Replacement

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	361,364
120: Overtime-General	-	-	-	248,058
350: Material Issues-Major	-	-	-	1,678,345
370: Outside Services	-	-	-	3,702,667
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	12,500
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	185,063
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	46,826
914: Pension and Benefits	-	-	-	106,494
915: Injuries and Damages	-	-	-	121,466
921: Stores Load	-	-	-	162,084
922: Minor Material Load	-	-	-	293
925: E&S Loads	-	-	-	390,720
926: A&G Loads	-	-	-	279,321
928: AFUDC Debt	4,202	4,224	4,246	128,611
929: AFUDC Equity	5,684	5,714	5,744	126,377
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	(1,839,863)	(6,762,178)
825: Closing Cost of Removal	-	-	(182,530)	(701,953)
Project Net	9,886	9,938	(2,012,403)	86,058

Project No: 10002421 Sandia 46kV Breaker Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	361,364	-	-	-	361,364	-	-	-
120: Overtime-General	248,058	-	-	-	248,058	-	-	-
350: Material Issues-Major	1,678,345	173,836	90,162	-	1,942,343	-	-	-
370: Outside Services	3,702,667	177,042	342,939	-	4,222,648	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	12,500	-	-	-	12,500	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	185,063	-	-	-	185,063	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	46,826	-	-	-	46,826	-	-	-
914: Pension and Benefits	106,494	-	-	-	106,494	-	-	-
915: Injuries and Damages	121,466	-	-	-	121,466	-	-	-
921: Stores Load	162,084	29,149	15,118	-	206,351	-	-	-
922: Minor Material Load	293	-	-	-	293	-	-	-
925: E&S Loads	390,720	24,561	30,317	-	445,598	-	-	-
926: A&G Loads	279,321	13,158	16,241	-	308,720	-	-	-
928: AFUDC Debt	128,611	606	1,554	2,074	132,845	-	-	-
929: AFUDC Equity	126,377	820	2,102	2,806	132,105	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(6,762,178)	-	-	(936,900)	(7,699,078)	-	-	-
825: Closing Cost of Removal	(701,953)	-	-	(71,644)	(773,597)	-	-	-
Project Net	86,058	419,173	498,434	(1,003,664)	-	-	-	-

Project No: 10002421 Sandia 46kV Breaker Replacement

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	361,364
120: Overtime-General	-	-	-	-	-	-	248,058
350: Material Issues-Major	-	-	-	-	-	-	1,942,343
370: Outside Services	-	-	-	-	-	-	4,222,648
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	12,500
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	185,063
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	46,826
914: Pension and Benefits	-	-	-	-	-	-	106,494
915: Injuries and Damages	-	-	-	-	-	-	121,466
921: Stores Load	-	-	-	-	-	-	206,351
922: Minor Material Load	-	-	-	-	-	-	293
925: E&S Loads	-	-	-	-	-	-	445,598
926: A&G Loads	-	-	-	-	-	-	308,720
928: AFUDC Debt	-	-	-	-	-	-	132,845
929: AFUDC Equity	-	-	-	-	-	-	132,105
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(7,699,078)
825: Closing Cost of Removal	-	-	-	-	-	-	(773,597)
Project Net	-	-	-	-	-	-	-

Project No: 10003020 ELDO12 Feeder Rebuild

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County %	Santa Fe	100%

Estimated Start Date 1/1/2020

Estimated Completion Date 12/31/2026

Description

The Eldorado 12 (ELDO12) project includes the demolition and construction of the ELDO12 distribution feeder. The project will consist of a complete rebuild of the ELDO12 backbone (3 phase primary) in the Santa Fe metro region. This will involve upgrading poles to ensure they are the standard height and class, upgrading primary wire to 397 All Aluminum Conductor with a 2/0 Aluminum Conductor Steel-Reinforced Cable System Neutral, as well as upgrading all open wire secondary along the backbone to Triplex wire. Replacements of existing facilities will be done according to the latest PNM engineering standards.

Project No: 10003020 ELDO12 Feeder Rebuild

Project Need Justification

The purpose of this project is to improve the reliability of PNM's ELDO12 Feeder. The top causes for performance issues with this feeder are lightning, bird related incidents, non-standard pole heights, decayed poles and cross-arms, vegetation overgrowth, and conductor flash due to long span lengths, all of which will be addressed by this project. The project will reduce the risk of customer outages, decrease fire hazards, and reduce environmental impacts. This system reliability improvement will include upgrading the feeder overhead conductor and replacement of decayed and undersized poles, cross-arms, and associated parts and hardware.

Project No: 10003020 ELDO12 Feeder Rebuild

Project Alternatives

1. Do nothing. This will enable performance issues to persist and to increase as existing equipment decays, which will raise the risk of customer outages, fire hazards, and environmental impacts.
2. Replace the infrastructure reactively and piecemeal as individual pieces of equipment fail or reach the end of useful life. This alternative was not considered as over time it would cost more than a fully planned replacement at scale. This option would also not provide a material improvement in reliability that would be achieved via the rebuild.

Project No: **10003020** **ELDO12 Feeder Rebuild**

Project Estimate Approach	The estimate is all inclusive for design, procurement, and build. Quotes for major equipment and estimating models from previous installations were used to determine pricing for current project.

Project No: **10003020** **ELDO12 Feeder Rebuild**

Customer Benefit

This project will rebuild the ELDO12 distribution feeder backbone to new standards of poles, wire, protective devices, transformers, and other distribution equipment to increase the reliability for customer service. Other benefits include the reduction of the risk of customer outages, decreased fire hazards, and reduced environmental impacts (i.e. all poles to be raptor safe, incorporating fire mitigation design methods, installing additional lightning protection, and providing overdue vegetation management for the feeders).

Project No: 10003020 ELDO12 Feeder Rebuild

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **10003020** **ELDO12 Feeder Rebuild**

General Services

Reliability & Resiliency

Data analysis shows the aging assets of the feeder have an increasing possibility of failure over the next 10 years, decreasing overall system performance and reliability. Proactive capital investment to rebuild the feeder to new standards will provide the highest benefit.

Safety & Security

Technology Advancements

Project No: 10003020 ELDO12 Feeder Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	54,271	-	-	-	-	-	-	54,271
120: Overtime-General	4,979	-	-	-	-	-	-	4,979
350: Material Issues-Major	2,522,074	-	-	-	-	-	-	2,522,074
370: Outside Services	8,090,274	-	30,853	4,703	-	-	-	8,125,830
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	37,883	-	-	-	-	-	-	37,883
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	4,729	-	-	-	-	-	-	4,729
914: Pension and Benefits	13,326	-	-	-	-	-	-	13,326
915: Injuries and Damages	6,714	-	-	-	-	-	-	6,714
921: Stores Load	78,844	-	-	-	-	-	-	78,844
922: Minor Material Load	120,892	-	-	-	-	-	-	120,892
925: E&S Loads	694,371	-	2,005	306	-	-	-	696,682
926: A&G Loads	464,179	-	1,604	245	-	-	-	466,028
928: AFUDC Debt	191,514	(6)	33	79	-	-	-	191,620
929: AFUDC Equity	143,901	(7)	35	84	-	-	-	144,014
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(11,574,871)	-	-	(34,625)	-	-	-	(11,609,496)
825: Closing Cost of Removal	(414,429)	-	-	(443,962)	-	-	-	(858,390)
Project Net	438,652	(13)	34,532	(473,171)	-	-	-	0

Project No: **10003020** **ELDO12 Feeder Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	54,271	-	-	-	-	-	-
120: Overtime-General	4,979	-	-	-	-	-	-
350: Material Issues-Major	2,522,074	-	-	-	-	-	-
370: Outside Services	8,125,830	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	37,883	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	4,729	-	-	-	-	-	-
914: Pension and Benefits	13,326	-	-	-	-	-	-
915: Injuries and Damages	6,714	-	-	-	-	-	-
921: Stores Load	78,844	-	-	-	-	-	-
922: Minor Material Load	120,892	-	-	-	-	-	-
925: E&S Loads	696,682	-	-	-	-	-	-
926: A&G Loads	466,028	-	-	-	-	-	-
928: AFUDC Debt	191,620	-	-	-	-	-	-
929: AFUDC Equity	144,014	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(11,609,496)	-	-	-	-	-	-
825: Closing Cost of Removal	(858,390)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: 10003020 ELDO12 Feeder Rebuild

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	54,271
120: Overtime-General	-	-	-	4,979
350: Material Issues-Major	-	-	-	2,522,074
370: Outside Services	-	-	-	8,125,830
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	37,883
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	4,729
914: Pension and Benefits	-	-	-	13,326
915: Injuries and Damages	-	-	-	6,714
921: Stores Load	-	-	-	78,844
922: Minor Material Load	-	-	-	120,892
925: E&S Loads	-	-	-	696,682
926: A&G Loads	-	-	-	466,028
928: AFUDC Debt	-	-	-	191,620
929: AFUDC Equity	-	-	-	144,014
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(11,609,496)
825: Closing Cost of Removal	-	-	-	(858,390)
Project Net	-	-	-	0

Project No: 10003020 ELDO12 Feeder Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	54,271	-	-	-	54,271	-	-	-
120: Overtime-General	4,979	-	-	-	4,979	-	-	-
350: Material Issues-Major	2,522,074	-	-	-	2,522,074	-	-	-
370: Outside Services	8,125,830	-	-	-	8,125,830	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	37,883	-	-	-	37,883	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	4,729	-	-	-	4,729	-	-	-
914: Pension and Benefits	13,326	-	-	-	13,326	-	-	-
915: Injuries and Damages	6,714	-	-	-	6,714	-	-	-
921: Stores Load	78,844	-	-	-	78,844	-	-	-
922: Minor Material Load	120,892	-	-	-	120,892	-	-	-
925: E&S Loads	696,682	-	-	-	696,682	-	-	-
926: A&G Loads	466,028	-	-	-	466,028	-	-	-
928: AFUDC Debt	191,620	-	-	-	191,620	-	-	-
929: AFUDC Equity	144,014	-	-	-	144,014	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(11,609,496)	-	-	-	(11,609,496)	-	-	-
825: Closing Cost of Removal	(858,390)	-	-	-	(858,390)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: 10003020 ELDO12 Feeder Rebuild

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	54,271
120: Overtime-General	-	-	-	-	-	-	4,979
350: Material Issues-Major	-	-	-	-	-	-	2,522,074
370: Outside Services	-	-	-	-	-	-	8,125,830
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	37,883
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	4,729
914: Pension and Benefits	-	-	-	-	-	-	13,326
915: Injuries and Damages	-	-	-	-	-	-	6,714
921: Stores Load	-	-	-	-	-	-	78,844
922: Minor Material Load	-	-	-	-	-	-	120,892
925: E&S Loads	-	-	-	-	-	-	696,682
926: A&G Loads	-	-	-	-	-	-	466,028
928: AFUDC Debt	-	-	-	-	-	-	191,620
929: AFUDC Equity	-	-	-	-	-	-	144,014
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(11,609,496)
825: Closing Cost of Removal	-	-	-	-	-	-	(858,390)
Project Net	-	-	-	-	-	-	0

Project No: **10003225** **Sandia 46kV Relay Replacement**

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County %	Bernalillo	100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2026

Description

This project involves replacing several aged and obsolete relays on the 46kV relays at Sandia, including the lines, buses, and transformers. The existing obsolete electromechanical relays will be replaced with modern electromechanical relays that can accommodate additional protection schemes and include redundancy. These facilities serve Kirtland Air Force Base and the East Mountains Communities.

Project No: **10003225 Sandia 46kV Relay Replacement**

Project Need Justification

The protective relays and associated equipment to be replaced as part of this project are currently obsolete. They are no longer supported by manufacturers and therefore cannot be repaired. Functionally obsolete equipment compromises the reliability of the grid, and the safety of PNM personnel and the public and therefore needs to be replaced. A failed relay might mean unprotected infrastructure. During a fault, additional areas of protection would need to operate, making outages larger and longer in duration.

Project No: **10003225** **Sandia 46kV Relay Replacement**

Project Alternatives	The only alterative to this project is to do nothing. Under this approach, the relays would operate until failure - which creates the risk of damage to other equipment, outages, etc. Therefore, rather then operate relays until they fail, they will be replaced.

Project No: **10003225** **Sandia 46kV Relay Replacement**

Project Estimate Approach	The project estimate was created using historical data on similar projects and current relay panel costs.

Project No: **10003225 Sandia 46kV Relay Replacement**

Customer Benefit	By addressing obsolete relays and related equipment, PNM can ensure system reliability. Failed relays in service increase the risk of injury to personnel and the public by having unprotected infrastructure. Proactive replacement of relays prevents longer and larger outages for the customers being served from the Sandia 46kV system including portions of Kirtland Air Force Base and the East Mountains communities.

Project No: **10003225 Sandia 46kV Relay Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **10003225** **Sandia 46kV Relay Replacement**

General Services

Reliability & Resiliency

By addressing obsolete relays and related equipment, PNM can ensure system reliability. Proactive replacement of relays prevents longer and larger outages for the customers being served from the Sandia 46kV system including portions of Kirtland Air Force Base and the East Mountains communities.

Safety & Security

Failed relays in service increase the risk of injury to personnel and the public by having unprotected infrastructure.

Technology Advancements

Project No: 10003225 Sandia 46kV Relay Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	92,790	-	-	-	-	-	-	92,790
120: Overtime-General	6,771	-	-	-	-	-	-	6,771
350: Material Issues-Major	1,632,261	-	-	-	-	-	-	1,632,261
370: Outside Services	2,787,609	362,324	-	-	-	-	-	3,149,933
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	9,301	-	-	-	-	-	-	9,301
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	7,704	-	-	-	-	-	-	7,704
914: Pension and Benefits	16,775	-	-	-	-	-	-	16,775
915: Injuries and Damages	19,962	-	-	-	-	-	-	19,962
921: Stores Load	38,229	-	-	-	-	-	-	38,229
922: Minor Material Load	129,141	-	-	-	-	-	-	129,141
925: E&S Loads	313,925	23,551	-	-	-	-	-	337,476
926: A&G Loads	265,951	18,841	-	-	-	-	-	284,792
928: AFUDC Debt	81,469	5,914	6,408	-	-	-	-	93,791
929: AFUDC Equity	61,629	6,303	6,830	-	-	-	-	74,762
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(2,946,828)	-	(2,624,442)	-	-	-	-	(5,571,270)
825: Closing Cost of Removal	-	-	(322,419)	-	-	-	-	(322,419)
Project Net	2,516,690	416,933	(2,933,623)	-	-	-	-	(0)

Project No: **10003225** **Sandia 46kV Relay Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	92,790	-	-	-	-	-	-
120: Overtime-General	6,771	-	-	-	-	-	-
350: Material Issues-Major	1,632,261	-	-	-	-	-	-
370: Outside Services	3,149,933	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	9,301	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	7,704	-	-	-	-	-	-
914: Pension and Benefits	16,775	-	-	-	-	-	-
915: Injuries and Damages	19,962	-	-	-	-	-	-
921: Stores Load	38,229	-	-	-	-	-	-
922: Minor Material Load	129,141	-	-	-	-	-	-
925: E&S Loads	337,476	-	-	-	-	-	-
926: A&G Loads	284,792	-	-	-	-	-	-
928: AFUDC Debt	93,791	-	-	-	-	-	-
929: AFUDC Equity	74,762	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(5,571,270)	-	-	-	-	-	-
825: Closing Cost of Removal	(322,419)	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: 10003225 Sandia 46kV Relay Replacement

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	92,790
120: Overtime-General	-	-	-	6,771
350: Material Issues-Major	-	-	-	1,632,261
370: Outside Services	-	-	-	3,149,933
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	9,301
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	7,704
914: Pension and Benefits	-	-	-	16,775
915: Injuries and Damages	-	-	-	19,962
921: Stores Load	-	-	-	38,229
922: Minor Material Load	-	-	-	129,141
925: E&S Loads	-	-	-	337,476
926: A&G Loads	-	-	-	284,792
928: AFUDC Debt	-	-	-	93,791
929: AFUDC Equity	-	-	-	74,762
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(5,571,270)
825: Closing Cost of Removal	-	-	-	(322,419)
Project Net	-	-	-	(0)

Project No: 10003225 Sandia 46kV Relay Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	92,790	-	-	-	92,790	-	-	-
120: Overtime-General	6,771	-	-	-	6,771	-	-	-
350: Material Issues-Major	1,632,261	-	-	-	1,632,261	-	-	-
370: Outside Services	3,149,933	-	-	-	3,149,933	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	9,301	-	-	-	9,301	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	7,704	-	-	-	7,704	-	-	-
914: Pension and Benefits	16,775	-	-	-	16,775	-	-	-
915: Injuries and Damages	19,962	-	-	-	19,962	-	-	-
921: Stores Load	38,229	-	-	-	38,229	-	-	-
922: Minor Material Load	129,141	-	-	-	129,141	-	-	-
925: E&S Loads	337,476	-	-	-	337,476	-	-	-
926: A&G Loads	284,792	-	-	-	284,792	-	-	-
928: AFUDC Debt	93,791	-	-	-	93,791	-	-	-
929: AFUDC Equity	74,762	-	-	-	74,762	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(5,571,270)	-	-	-	(5,571,270)	-	-	-
825: Closing Cost of Removal	(322,419)	-	-	-	(322,419)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: 10003225 Sandia 46kV Relay Replacement

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	92,790
120: Overtime-General	-	-	-	-	-	-	6,771
350: Material Issues-Major	-	-	-	-	-	-	1,632,261
370: Outside Services	-	-	-	-	-	-	3,149,933
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	9,301
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	7,704
914: Pension and Benefits	-	-	-	-	-	-	16,775
915: Injuries and Damages	-	-	-	-	-	-	19,962
921: Stores Load	-	-	-	-	-	-	38,229
922: Minor Material Load	-	-	-	-	-	-	129,141
925: E&S Loads	-	-	-	-	-	-	337,476
926: A&G Loads	-	-	-	-	-	-	284,792
928: AFUDC Debt	-	-	-	-	-	-	93,791
929: AFUDC Equity	-	-	-	-	-	-	74,762
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,571,270)
825: Closing Cost of Removal	-	-	-	-	-	-	(322,419)
Project Net	-	-	-	-	-	-	(0)

Project No: 10003521 LSCH12 Feeder Rebuild

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County % Valencia 100%

Estimated Start Date 9/1/2021

Estimated Completion Date 12/31/2026

Description

The Los Chavez 12 (LSCH12) project includes the demolition and construction of the LSCH12 distribution feeder. The project will consist of a complete rebuild of approximately 16.97 miles of the LSCH12 backbone (3 phase primary) in the Los Chaves region. This will involve upgrading ~600 poles to ensure they are the standard height and class, upgrading ~89,601 linear feet of primary wire to 397 All Aluminum Conductor with a 2/0 Aluminum Conductor Steel-Reinforced Cable System Neutral, as well as upgrading all open wire secondary along the backbone to Triplex wire. Replacements of existing facilities will be done according to the latest PNM engineering standards.

Project No: 10003521 LSCH12 Feeder Rebuild

Project Need Justification	The purpose of this project is to improve the reliability of PNM's LSCH12 Feeder which serves over 5,495 customers and has, over the last several years, experienced 22 outages. The top causes for performance issues with this feeder are lightning, bird related incidents, non-standard pole heights, decayed poles and cross-arms, vegetation overgrowth, and conductor flash due to long span lengths. The project will reduce the risk of customer outages, decrease fire hazards, and reduce environmental impacts. This system reliability improvement will include upgrading the feeder overhead conductor and replacement of decayed and undersized poles, cross-arms, and associated parts and hardware.

Project No: **10003521** **LSCH12 Feeder Rebuild**

Project Alternatives	1. Do nothing. This will enable performance issues to persist and to increase as existing equipment decays, which will the risk of raise customer outages, fire hazards, and environmental impacts. 2. Replace the infrastructure reactively and piecemeal as individual pieces of equipment fail or reach the end of useful life. This alternative was not considered as over time it would cost more than a fully planned replacement at scale. This option would also not provide a material improvement in reliability that would be achieved via the rebuild.

Project No: **10003521** **LSCH12 Feeder Rebuild**

Project Estimate Approach	The estimate is all inclusive for design, procurement, and build. Quotes for major equipment and estimating models from previous installations were used to determine pricing for current project.

Project No: **10003521** **LSCH12 Feeder Rebuild**

Customer Benefit	This project will rebuild the LSCH12 distribution feeder backbone to new standards of poles, wire, protective devices, transformers, and other distribution equipment to increase the reliability for customer service. Other benefits include the reduction of the risk of customer outages, decreased fire hazards, and reduced environmental impacts (i.e. all poles to be raptor safe, incorporating fire mitigation design methods, installing additional lightning protection, and providing needed vegetation management for the feeders).

Project No: 10003521 LSCH12 Feeder Rebuild

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **10003521** **LSCH12 Feeder Rebuild**

General Services

Reliability & Resiliency

Data analysis shows the aging assets of the feeder have an increasing possibility of failure over the next 10 years, which would decrease overall system performance and reliability. Proactive capital investment to rebuild the feeder to new standards will provide the highest reliability benefits.

Safety & Security

Technology Advancements

Project No: 10003521 LSCH12 Feeder Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	22,622	-	-	-	-	-	-	22,622
120: Overtime-General	714	-	-	-	-	-	-	714
350: Material Issues-Major	2,129,030	-	-	-	-	-	-	2,129,030
370: Outside Services	9,615,004	-	-	-	-	-	-	9,615,004
374: Outside Services Legal	29,375	-	-	-	-	-	-	29,375
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	11,340	-	-	-	-	-	-	11,340
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,818	-	-	-	-	-	-	1,818
914: Pension and Benefits	4,784	-	-	-	-	-	-	4,784
915: Injuries and Damages	3,366	-	-	-	-	-	-	3,366
921: Stores Load	113,363	-	-	-	-	-	-	113,363
922: Minor Material Load	98,476	-	-	-	-	-	-	98,476
925: E&S Loads	904,712	-	-	-	-	-	-	904,712
926: A&G Loads	464,667	-	-	-	-	-	-	464,667
928: AFUDC Debt	308,107	-	-	-	-	-	-	308,107
929: AFUDC Equity	291,968	-	-	-	-	-	-	291,968
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(12,877,051)	-	-	-	-	-	-	(12,877,051)
825: Closing Cost of Removal	(1,039,816)	(82,477)	-	-	-	-	-	(1,122,294)
Project Net	82,477	(82,477)	-	-	-	-	-	-

Project No: 10003521 LSCH12 Feeder Rebuild

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	22,622	-	-	-	-	-	-
120: Overtime-General	714	-	-	-	-	-	-
350: Material Issues-Major	2,129,030	-	-	-	-	-	-
370: Outside Services	9,615,004	-	-	-	-	-	-
374: Outside Services Legal	29,375	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	11,340	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,818	-	-	-	-	-	-
914: Pension and Benefits	4,784	-	-	-	-	-	-
915: Injuries and Damages	3,366	-	-	-	-	-	-
921: Stores Load	113,363	-	-	-	-	-	-
922: Minor Material Load	98,476	-	-	-	-	-	-
925: E&S Loads	904,712	-	-	-	-	-	-
926: A&G Loads	464,667	-	-	-	-	-	-
928: AFUDC Debt	308,107	-	-	-	-	-	-
929: AFUDC Equity	291,968	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(12,877,051)	-	-	-	-	-	-
825: Closing Cost of Removal	(1,122,294)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **10003521** **LSCH12 Feeder Rebuild**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	22,622
120: Overtime-General	-	-	-	714
350: Material Issues-Major	-	-	-	2,129,030
370: Outside Services	-	-	-	9,615,004
374: Outside Services Legal	-	-	-	29,375
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	11,340
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,818
914: Pension and Benefits	-	-	-	4,784
915: Injuries and Damages	-	-	-	3,366
921: Stores Load	-	-	-	113,363
922: Minor Material Load	-	-	-	98,476
925: E&S Loads	-	-	-	904,712
926: A&G Loads	-	-	-	464,667
928: AFUDC Debt	-	-	-	308,107
929: AFUDC Equity	-	-	-	291,968
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(12,877,051)
825: Closing Cost of Removal	-	-	-	(1,122,294)
Project Net	-	-	-	-

Project No: 10003521 LSCH12 Feeder Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	22,622	-	-	-	22,622	-	-	-
120: Overtime-General	714	-	-	-	714	-	-	-
350: Material Issues-Major	2,129,030	-	-	-	2,129,030	-	-	-
370: Outside Services	9,615,004	-	-	-	9,615,004	-	-	-
374: Outside Services Legal	29,375	-	-	-	29,375	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	11,340	-	-	-	11,340	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,818	-	-	-	1,818	-	-	-
914: Pension and Benefits	4,784	-	-	-	4,784	-	-	-
915: Injuries and Damages	3,366	-	-	-	3,366	-	-	-
921: Stores Load	113,363	-	-	-	113,363	-	-	-
922: Minor Material Load	98,476	-	-	-	98,476	-	-	-
925: E&S Loads	904,712	-	-	-	904,712	-	-	-
926: A&G Loads	464,667	-	-	-	464,667	-	-	-
928: AFUDC Debt	308,107	-	-	-	308,107	-	-	-
929: AFUDC Equity	291,968	-	-	-	291,968	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(12,877,051)	-	-	-	(12,877,051)	-	-	-
825: Closing Cost of Removal	(1,122,294)	-	-	-	(1,122,294)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **10003521** **LSCH12 Feeder Rebuild**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	22,622
120: Overtime-General	-	-	-	-	-	-	714
350: Material Issues-Major	-	-	-	-	-	-	2,129,030
370: Outside Services	-	-	-	-	-	-	9,615,004
374: Outside Services Legal	-	-	-	-	-	-	29,375
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	11,340
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,818
914: Pension and Benefits	-	-	-	-	-	-	4,784
915: Injuries and Damages	-	-	-	-	-	-	3,366
921: Stores Load	-	-	-	-	-	-	113,363
922: Minor Material Load	-	-	-	-	-	-	98,476
925: E&S Loads	-	-	-	-	-	-	904,712
926: A&G Loads	-	-	-	-	-	-	464,667
928: AFUDC Debt	-	-	-	-	-	-	308,107
929: AFUDC Equity	-	-	-	-	-	-	291,968
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(12,877,051)
825: Closing Cost of Removal	-	-	-	-	-	-	(1,122,294)
Project Net	-	-	-	-	-	-	-

Project No: **10005726** **Westpointe Substation-DIST**

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

Project Information

County %	Bernalillo	100%	

Estimated Start Date 12/1/2025

Estimated Completion Date 12/31/2027

Description

A new 115/12.47kV substation named Westpointe, that will serve the Westpointe 40 area in conjunction with the Senate Bill 170 legislation. The substation will be configured as a three-breaker ring. It will include one 115/12.47kV transformer and switchgear, three 115kV breakers, and related bus, foundations, steel, grounding, conduit, protection, controls, and transmission line connection infrastructure. The substation switchgear will supply up to 4 feeders and has space for a future tie to another unit.

Project No: 10005726 Westpointe Substation-DIST

Project Need Justification

Economic development interest has grown on the west side of Albuquerque, in particular, near the area of Interstate 40 and 98th Street. Westpointe 40, the 115-acre business park in the area, is actively marketing approximately 80 remaining developable acres. Potential new commercial and industrial customers with demand loads ranging from 1 MW to 18 MW have been interested in the area. Many of these potential customers require dedicated backup capacity in addition to their normal service and also have compressed timelines to be in service. Feedback from the economic development inquiries as well as from PNM's Economic Development Department is that PNM's 24 month timeline to construct a new substation to provide the needed capacity is too long to meet their in service target dates.

The area is presently served by the Central and Volcano Substations. A capacity study was recently performed to evaluate existing area loads and found that additional substation and feeder capacity is needed immediately to serve existing load for normal and contingency configurations. The study recommends that the existing Central Substation must be upgraded from a 22 MVA to a 33 MVA transformer and the Volcano Substation should be expanded to include a third 33 MVA transformer with four new feeders. The study further evaluated additional economic development load growth in the Westpointe 40 area and concluded that for any new economic development, a new substation in the area is needed in addition to the previous recommendations.
The addition of a new substation in this area would allow for load growth in this area and would attract more economic development customers to the area by shortening the timeframe to acquire electrical service from PNM.

Project No: **10005726** **Westpointe Substation-DIST**

Project Alternatives

Utilizing the existing electrical infrastructure without constructing a new substation would only provide a short-term solution and would not adequately support forecasted load growth in the area. Existing facilities may have limited capacity and could require extensive feeder extensions, resulting in longer service timelines, increased operational complexity, and reduced system flexibility. This alternative would also limit PNM's ability to efficiently serve future residential, commercial, and industrial development. No load beyond 1-2MW could be served without it in the immediate area.

Project No: **10005726 Westpointe Substation-DIST**

Project Estimate Approach

The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **10005726 Westpointe Substation-DIST**

Customer Benefit

The construction of a new substation will provide customers with faster access to electric service by increasing available system capacity in a growing area. By proactively expanding the electrical infrastructure, PNM will be better positioned to accommodate future residential, commercial, and industrial development, reducing service connection timelines and supporting economic growth within the community.

The project will also improve system flexibility and long-term reliability by establishing an additional source of power closer to customer load centers. This investment helps ensure that both existing and future customers receive safe, reliable electric service while enabling PNM to meet increasing demand efficiently and cost-effectively. Ultimately, the new substation supports customer growth, strengthens local economic development opportunities, and enhances the overall customer experience.

Project No:	**10005726 Westpointe Substation-DIST**
Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	This project supports Customer Delivery by expanding electrical infrastructure capacity in a growing area, enabling PNM to provide timely and efficient electric service to new residential, commercial, and industrial customers. The addition of a new substation will reduce the time required to connect new customers, improve service accessibility, and position PNM to meet anticipated load growth proactively. By establishing the infrastructure needed ahead of development, the project enhances PNM's ability to respond to customer demand, supports local economic development initiatives, and attracts new businesses by providing a clear path to reliable electric service. This investment ensures customers can obtain the power they need when it is needed, improving the overall customer experience and supporting long-term community growth.
Energy Transition	

Project No: **10005726** **Westpointe Substation-DIST**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 10005726 Westpointe Substation-DIST

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	6,414	1,349	90,394	88,971	97,018	47,122	12,073	343,341
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	4,263,414	(336,862)	725,197	350,236	740,118	100,000	60,000	5,902,102
370: Outside Services	1,157,785	1,017,996	(859,369)	59,000	5,000	137,236	1,596,545	3,114,194
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	3,408	266	-	-	-	-	-	3,674
805: Land and Land Rights	-	-	-	-	-	423,301	-	423,301
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	489	103	6,888	6,780	7,393	3,591	920	26,163
914: Pension and Benefits	1,175	251	16,822	16,558	18,055	8,769	2,247	63,877
915: Injuries and Damages	1,270	267	17,898	17,616	19,210	9,330	2,390	67,981
921: Stores Load	66,446	(76,764)	165,258	79,812	168,658	22,788	13,673	439,870
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	329,378	44,419	(141)	35,045	57,642	19,893	108,821	595,057
926: A&G Loads	228,528	35,503	(2,276)	25,907	43,791	36,798	86,768	455,019
928: AFUDC Debt	266,634	17,048	18,106	19,163	19,169	21,521	24,719	386,361
929: AFUDC Equity	267,501	18,169	19,297	20,423	20,430	22,936	26,344	395,100
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(891,118)	-	-	-	(891,118)
825: Closing Cost of Removal	-	-	-	(11,724)	-	-	-	(11,724)
Project Net	6,592,442	721,744	198,074	(183,332)	1,196,482	853,286	1,934,500	11,313,198

Project No: **10005726** **Westpointe Substation-DIST**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	343,341	8,340	7,115	2,216	2,642	1,517	2,939
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	5,902,102	69,502	59,293	18,469	22,021	12,642	24,493
370: Outside Services	3,114,194	1,211,902	1,171,215	1,357,819	1,160,327	319,136	205,167
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	3,674	-	-	-	-	-	-
805: Land and Land Rights	423,301	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	26,163	689	588	183	218	125	243
914: Pension and Benefits	63,877	1,584	1,351	421	502	288	558
915: Injuries and Damages	67,981	1,581	1,349	420	501	288	557
921: Stores Load	439,870	11,654	9,942	3,097	3,692	2,120	4,107
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	595,057	90,552	86,864	96,567	83,035	23,380	16,377
926: A&G Loads	455,019	48,365	46,411	51,694	44,437	12,499	8,722
928: AFUDC Debt	386,361	25,857	28,919	32,086	35,201	37,134	37,985
929: AFUDC Equity	395,100	34,980	39,122	43,408	47,622	50,236	51,388
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(891,118)	-	-	-	-	-	(17,282,419)
825: Closing Cost of Removal	(11,724)	-	-	-	-	-	(806,435)
Project Net	11,313,198	1,505,007	1,452,169	1,606,381	1,400,199	459,364	(17,736,317)

Project No: **10005726** **Westpointe Substation-DIST**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	368,111
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	6,108,522
370: Outside Services	10,000	58,192	68,419	8,676,371
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	3,674
805: Land and Land Rights	-	-	-	423,301
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	28,209
914: Pension and Benefits	-	-	-	68,581
915: Injuries and Damages	-	-	-	72,678
921: Stores Load	-	-	-	474,482
922: Minor Material Load	-	-	-	-
925: E&S Loads	700	4,073	4,789	1,001,394
926: A&G Loads	375	2,182	2,566	672,270
928: AFUDC Debt	11	67	78	583,699
929: AFUDC Equity	16	90	106	662,068
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	(10,327)	(60,093)	(70,655)	(18,314,611)
825: Closing Cost of Removal	(775)	(4,511)	(5,304)	(828,750)
Project Net	-	-	-	-

Project No: 10005726 Westpointe Substation-DIST

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	368,111	-	-	-	368,111	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	6,108,522	-	-	-	6,108,522	-	-	-
370: Outside Services	8,676,371	-	-	-	8,676,371	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	3,674	-	-	-	3,674	-	-	-
805: Land and Land Rights	423,301	-	-	-	423,301	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	28,209	-	-	-	28,209	-	-	-
914: Pension and Benefits	68,581	-	-	-	68,581	-	-	-
915: Injuries and Damages	72,678	-	-	-	72,678	-	-	-
921: Stores Load	474,482	-	-	-	474,482	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	1,001,394	-	-	-	1,001,394	-	-	-
926: A&G Loads	672,270	-	-	-	672,270	-	-	-
928: AFUDC Debt	583,699	-	-	-	583,699	-	-	-
929: AFUDC Equity	662,068	-	-	-	662,068	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(18,314,611)	-	-	-	(18,314,611)	-	-	-
825: Closing Cost of Removal	(828,750)	-	-	-	(828,750)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **10005726** **Westpointe Substation-DIST**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	368,111
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	6,108,522
370: Outside Services	-	-	-	-	-	-	8,676,371
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	3,674
805: Land and Land Rights	-	-	-	-	-	-	423,301
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	28,209
914: Pension and Benefits	-	-	-	-	-	-	68,581
915: Injuries and Damages	-	-	-	-	-	-	72,678
921: Stores Load	-	-	-	-	-	-	474,482
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	1,001,394
926: A&G Loads	-	-	-	-	-	-	672,270
928: AFUDC Debt	-	-	-	-	-	-	583,699
929: AFUDC Equity	-	-	-	-	-	-	662,068
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(18,314,611)
825: Closing Cost of Removal	-	-	-	-	-	-	(828,750)
Project Net	-	-	-	-	-	-	-

Project No: 10005821 ISLE12 Feeder Rebuild

Company:	001	Electric Services
Location:	100	Albuquerque Electric Services

Project Information

County %		
	Bernalillo	25%
	Valencia	75%

Estimated Start Date 9/1/2021

Estimated Completion Date 12/31/2029

Description

The ISLE12 Feeder Rebuild project includes the demolition and construction of the ISLE12 distribution feeder. The project will consist of a complete rebuild of approximately 13 miles of the ISLE12 backbone in the Los Lunas/Valencia region. This will involve upgrading ~600 poles to ensure they are the standard height and class, upgrading primary wire to 397 All Aluminum Conductor with a 2/0 Aluminum Conductor Steel-Reinforced Cable System Neutral, as well as upgrading all open wire secondary along the line to Triplex wire. Replacements of existing facilities will be done according to the latest PNM engineering standards.

Project No: 10005821 ISLE12 Feeder Rebuild

Project Need Justification

The purpose of this project is to improve the reliability of PNM's ISLE12 Feeder, which has, over the last several years, experienced several outages. The top causes for performance issues with this feeder are lightning, bird related incidents, non-standard pole heights, decayed poles and cross-arms, vegetation overgrowth, and conductor flash due to long span lengths. The project will reduce the risk of customers outages, decrease fire hazards, and reduce environmental impacts. This system reliability improvement will include upgrading the feeder overhead conductor and replacement of decayed and undersized poles, cross-arms, and associated parts and hardware.

Project No: **10005821 ISLE12 Feeder Rebuild**

Project Alternatives

1. Do nothing. This will enable performance issues to persist and to increase as existing equipment decays, which will raise the risk of customer outages, fire hazards, and environmental impacts.
2. Replace the infrastructure reactively and piecemeal as individual pieces of equipment fail or reach the end of useful life. This alternative was not considered as over time it would cost more than a fully planned replacement at scale. This option would also not provide a material improvement in reliability that would be achieved via the rebuild.

Project No: **10005821 ISLE12 Feeder Rebuild**

Project Estimate Approach	The estimate is all inclusive for design, procurement, and build. Quotes were acquired for the major equipment and estimating models from previous installations were used to determine pricing for current project.

Project No: **10005821 ISLE12 Feeder Rebuild**

Customer Benefit

This project will rebuild the ISLE12 distribution feeder backbone to new standards of poles, wire, protective devices, transformers, and other distribution equipment to increase the reliability for customer service. Other benefits include the reduction of the risk of customer outages, decreased fire hazards, and reduced environmental impacts (i.e. all poles to be raptor safe, incorporating fire mitigation design methods, installing additional lightning protection, and providing needed vegetation management for the feeders).

Project No: **10005821** **ISLE12 Feeder Rebuild**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **10005821** **ISLE12 Feeder Rebuild**

General Services

Reliability & Resiliency

Data analysis shows the aging assets of the feeder have an increasing possibility of failure over the next 10 years, decreasing overall system performance and reliability. Proactive capital investment to rebuild the feeder to new standards will provide the highest benefit.

Safety & Security

Technology Advancements

Project No: 10005821 ISLE12 Feeder Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	3,077	-	-	-	-	-	-	3,077
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	891,408	12,000	12,000	12,000	12,000	11,500	9,000	959,908
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	264	-	-	-	-	-	-	264
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	235	-	-	-	-	-	-	235
914: Pension and Benefits	659	-	-	-	-	-	-	659
915: Injuries and Damages	315	-	-	-	-	-	-	315
921: Stores Load	2,684	-	-	-	-	-	-	2,684
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	76,595	780	780	780	780	748	585	81,047
926: A&G Loads	35,436	624	624	624	624	598	468	38,998
928: AFUDC Debt	111,264	2,782	2,827	2,872	2,918	2,963	3,004	128,630
929: AFUDC Equity	100,888	2,965	3,013	3,061	3,110	3,157	3,202	119,396
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	1,222,824	19,151	19,244	19,337	19,431	18,966	16,259	1,335,213

Project No: **10005821** **ISLE12 Feeder Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	3,077	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	959,908	5,000	5,000	5,000	5,000	5,000	5,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	264	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	235	-	-	-	-	-	-
914: Pension and Benefits	659	-	-	-	-	-	-
915: Injuries and Damages	315	-	-	-	-	-	-
921: Stores Load	2,684	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	81,047	350	350	350	350	350	350
926: A&G Loads	38,998	188	188	188	188	188	188
928: AFUDC Debt	128,630	2,740	2,766	2,792	2,818	2,844	2,870
929: AFUDC Equity	119,396	3,707	3,742	3,777	3,812	3,848	3,883
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	1,335,213	11,984	12,045	12,106	12,167	12,229	12,291

Project No: **10005821** **ISLE12 Feeder Rebuild**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	3,077
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	5,000	5,000	5,000	1,004,908
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	264
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	235
914: Pension and Benefits	-	-	-	659
915: Injuries and Damages	-	-	-	315
921: Stores Load	-	-	-	2,684
922: Minor Material Load	-	-	-	-
925: E&S Loads	350	350	350	84,197
926: A&G Loads	188	188	188	40,685
928: AFUDC Debt	2,897	2,924	2,950	154,231
929: AFUDC Equity	3,919	3,955	3,991	154,030
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	12,353	12,416	12,479	1,445,284

Project No: 10005821 ISLE12 Feeder Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	3,077	-	-	-	3,077	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	1,004,908	5,000	5,000	5,100	1,020,008	500,000	500,000	500,000
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	264	-	-	-	264	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	235	-	-	-	235	-	-	-
914: Pension and Benefits	659	-	-	-	659	-	-	-
915: Injuries and Damages	315	-	-	-	315	-	-	-
921: Stores Load	2,684	-	-	-	2,684	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	84,197	350	350	357	85,254	35,000	35,000	35,000
926: A&G Loads	40,685	188	188	191	41,252	17,550	17,550	17,550
928: AFUDC Debt	154,231	2,977	3,004	3,032	163,244	3,554	4,695	5,842
929: AFUDC Equity	154,030	4,028	4,064	4,101	166,223	5,607	7,407	9,217
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	1,445,284	12,542	12,606	12,781	1,483,213	561,711	564,652	567,610

Project No: **10005821** **ISLE12 Feeder Rebuild**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	3,077
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	500,000	500,000	550,000	500,000	550,000	500,000	5,620,008
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	264
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	235
914: Pension and Benefits	-	-	-	-	-	-	659
915: Injuries and Damages	-	-	-	-	-	-	315
921: Stores Load	-	-	-	-	-	-	2,684
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	35,000	35,000	38,500	35,000	38,500	35,000	407,254
926: A&G Loads	17,550	17,550	19,305	17,550	19,305	17,550	202,712
928: AFUDC Debt	6,996	7,397	7,816	8,189	8,093	8,002	223,828
929: AFUDC Equity	11,038	11,670	12,331	12,920	12,768	12,625	261,806
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(348,197)	(366,671)	(388,545)	(604,783)	(601,983)	(789,147)	(3,099,327)
825: Closing Cost of Removal	(26,580)	(27,790)	(29,265)	(45,310)	(44,895)	(58,617)	(232,457)
Project Net	195,807	177,156	210,141	(76,433)	(18,212)	(274,587)	3,391,057

Project No: 15102019 Tularosa 13 Ph Load Bal-Voltage Reg

Company: 001 Electric Services
Location: 151 Alamagordo Services Dist

Project Information

County % Otero 100%

Estimated Start Date 2/15/2019

Estimated Completion Date 12/31/2027

Description

This project is to address summer peak load exposure on Tularosa Feeder 13 by performing load balancing and installing two voltage regulators. The project scope includes six key activities. (1) Build a new three-phase line on Rattlesnake Rd. from pole W89B014 to pole X89A014 using steel-reinforced conductor, approximately 0.75 miles. (2) Convert the existing overhead line on Rattlesnake Rd. from pole X89A014 to pole X89A062 from single-phase to three-phase using steel-reinforced conductor. (3) Install a new 500 KVA three-phase voltage regulator bank on or near Pole X89A031. The settings should be 125V with a 3 Volt bandwidth, locked forward. (4) Convert the overhead line on Sabinat Ln. from pole X89A062 to pole X89A024 at Mountain Meadow Rd. from single-phase to three-phase using steel-reinforced conductor. (5) Move the single-phase line that runs along Mountain Meadow Rd. off pole X89A024 from B-phase to A-phase. (6) Install a new 1250 KVA three-phase voltage regulator bank on or near Pole W88B007. The project was estimated using historical PNM data on similar projects using engineering and labor resources.

Project No: 15102019 Tularosa 13 Ph Load Bal-Voltage Reg

Project Need Justification

The purpose of this project is to phase load balance Tularosa Feeder 13 and install voltage regulators to improve the voltage on B-phase under normal conditions. The phase load balancing and the installation of voltage regulators will maintain acceptable voltage performance for peak load conditions during a Tularosa transformer outage and subsequent transfer of the Tularosa load to Alamogordo Feeder 12-12. Currently, there is a “Do Not Restore Load” statement in the Tularosa Single Contingency Plans to avoid severe low voltage in the Tularosa area for an outage of the Tularosa transformer during peak load conditions. This project will eliminate the “Do Not Restore Load” requirement.

Project No: **15102019 Tularosa 13 Ph Load Bal-Voltage Reg**

Project Alternatives	Do nothing. This would result in a violation of American National Standards Institute (ANSI) C84.1 associated with voltage standards and controls and supports NMPRC Rule 17.9.560.15.

Project No: 15102019 Tularosa 13 Ph Load Bal-Voltage Reg

Project Estimate Approach	The project was estimated using historical PNM data on similar projects using engineering and labor resources. Class-5 estimates are utilized and based on current industry standards. The major cost driver for this project includes equipment, services, and engineering design as applicable.

Project No: **15102019 Tularosa 13 Ph Load Bal-Voltage Reg**

Customer Benefit	This project will benefit customers on Tularosa Feeder 13 by balancing load and providing reliable power during peak-load conditions.

Project No: 15102019 Tularosa 13 Ph Load Bal-Voltage Reg

Primary Value Driver	Reliability & Resiliency
Compliance	NMAC Rule 17.9.560.15 (related to the standards of quality of service) requires the implementation of the improvements.
Customer Delivery	
Energy Transition	

Project No: **15102019** **Tularosa 13 Ph Load Bal-Voltage Reg**

General Services

Reliability & Resiliency

Balancing load and providing better voltage control will increase the reliability for customers, especially during peak-load conditions when outage risk is highest.

Safety & Security

Technology Advancements

Project No: 15102019 Tularosa 13 Ph Load Bal-Voltage Reg

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	22,808	-	-	-	-	-	-	22,808
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	14,855	120,000	-	-	-	-	-	134,855
370: Outside Services	18,274	80,000	80,000	10,000	-	-	-	188,274
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,094	-	-	-	-	-	-	2,094
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,772	-	-	-	-	-	-	1,772
914: Pension and Benefits	4,889	-	-	-	-	-	-	4,889
915: Injuries and Damages	2,769	-	-	-	-	-	-	2,769
921: Stores Load	6,626	27,346	-	-	-	-	-	33,972
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	14,523	13,000	5,200	650	-	-	-	33,373
926: A&G Loads	3,180	10,400	4,160	520	-	-	-	18,260
928: AFUDC Debt	16,700	615	419	327	-	-	-	18,061
929: AFUDC Equity	24,151	655	447	349	-	-	-	25,602
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	(238,618)	(84,983)	(138,539)	-	-	-	(462,140)
825: Closing Cost of Removal	-	(11,409)	(4,959)	(8,221)	-	-	-	(24,589)
Project Net	132,641	1,989	284	(134,914)	-	-	-	-

Project No: **15102019** **Tularosa 13 Ph Load Bal-Voltage Reg**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	22,808	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	134,855	-	-	-	-	-	-
370: Outside Services	188,274	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	2,094	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,772	-	-	-	-	-	-
914: Pension and Benefits	4,889	-	-	-	-	-	-
915: Injuries and Damages	2,769	-	-	-	-	-	-
921: Stores Load	33,972	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	33,373	-	-	-	-	-	-
926: A&G Loads	18,260	-	-	-	-	-	-
928: AFUDC Debt	18,061	-	-	-	-	-	-
929: AFUDC Equity	25,602	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(462,140)	-	-	-	-	-	-
825: Closing Cost of Removal	(24,589)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **15102019** **Tularosa 13 Ph Load Bal-Voltage Reg**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	22,808
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	134,855
370: Outside Services	-	-	-	188,274
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	2,094
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,772
914: Pension and Benefits	-	-	-	4,889
915: Injuries and Damages	-	-	-	2,769
921: Stores Load	-	-	-	33,972
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	33,373
926: A&G Loads	-	-	-	18,260
928: AFUDC Debt	-	-	-	18,061
929: AFUDC Equity	-	-	-	25,602
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(462,140)
825: Closing Cost of Removal	-	-	-	(24,589)
Project Net	-	-	-	-

Project No: 15102019 Tularosa 13 Ph Load Bal-Voltage Reg

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	22,808	-	-	-	22,808	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	134,855	-	-	-	134,855	-	-	-
370: Outside Services	188,274	-	-	-	188,274	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,094	-	-	-	2,094	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,772	-	-	-	1,772	-	-	-
914: Pension and Benefits	4,889	-	-	-	4,889	-	-	-
915: Injuries and Damages	2,769	-	-	-	2,769	-	-	-
921: Stores Load	33,972	-	-	-	33,972	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	33,373	-	-	-	33,373	-	-	-
926: A&G Loads	18,260	-	-	-	18,260	-	-	-
928: AFUDC Debt	18,061	-	-	-	18,061	-	-	-
929: AFUDC Equity	25,602	-	-	-	25,602	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(462,140)	-	-	-	(462,140)	-	-	-
825: Closing Cost of Removal	(24,589)	-	-	-	(24,589)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **15102019** **Tularosa 13 Ph Load Bal-Voltage Reg**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	22,808
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	134,855
370: Outside Services	-	-	-	-	-	-	188,274
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	2,094
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,772
914: Pension and Benefits	-	-	-	-	-	-	4,889
915: Injuries and Damages	-	-	-	-	-	-	2,769
921: Stores Load	-	-	-	-	-	-	33,972
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	33,373
926: A&G Loads	-	-	-	-	-	-	18,260
928: AFUDC Debt	-	-	-	-	-	-	18,061
929: AFUDC Equity	-	-	-	-	-	-	25,602
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(462,140)
825: Closing Cost of Removal	-	-	-	-	-	-	(24,589)
Project Net	-	-	-	-	-	-	-

Project No: **15105222** **Alamogordo Substation Co1**

Company: 001 Electric Services
Location: 151 Alamagordo Services Dist

Project Information County % Otero 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2029

Description

Purchase of Alamogordo substation site in advance of local development.

Project No: 15105222 Alamogordo Substation Co1

Project Need Justification

Planning staff have identified the need for a future station to support anticipated load growth and maintain system reliability. Lands Services and the project team have already identified a site, and timely acquisition is critical to assure a site is secured for a future station in this geographical location. Acquiring the property in advance preserves critical siting options and helps avoid future challenges associated with land availability, increased real estate costs, zoning restrictions, and development encroachment. Early acquisition also provides flexibility for engineering, environmental, and permitting activities, reducing future project risk and supporting timely infrastructure deployment when capacity is needed.

Project No: **15105222** **Alamogordo Substation Co1**

Project Alternatives	No feasible site alternatives exist outside of this vicinity that can effectively serve the identified load area and support future system expansion. Alternative locations would require additional infrastructure, increase costs, extend implementation timelines, and may not provide the operational benefits necessary to meet forecasted demand. Therefore, acquisition of the selected site represents the only practical and prudent solution to support future reliability, resiliency, and customer growth needs.

Project No: **15105222 Alamogordo Substation Co1**

Project Estimate Approach	The estimate was derived by allocating costs between Distribution and Transmission based on the proportion of the station footprint attributable to each function, consistent with plant accounting requirements.

Project No: **15105222 Alamogordo Substation Co1**

Customer Benefit

The acquisition of property in the Alamogordo area is a strategic investment that supports long-term electric system reliability, customer growth, and regional economic development. Securing a suitable site now ensures that PNM has the ability to construct a future substation in a location that aligns with projected load growth, evolving system needs, and community development plans. As population growth and commercial expansion continue in the region, additional electrical infrastructure will be required to maintain reliable service and provide capacity for new customer connections.

Project No: **15105222** **Alamogordo Substation Co1**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **15105222** **Alamogordo Substation Co1**

General Services

Reliability & Resiliency

This acquisition supports reliable electric service by enabling future system capacity improvements, reducing the risk of overloads on existing facilities, and improving operational flexibility. A new substation location will enhance grid resilience by providing additional sources of supply and distribution pathways, helping minimize the impact of equipment failures, extreme weather events, and other service disruptions. Additionally, preserving the site today helps control future project costs and supports continued residential, commercial, and economic growth in the Alamogordo area.

Safety & Security

Technology Advancements

Project No: 15105222 Alamogordo Substation Co1

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **15105222** **Alamogordo Substation Co1**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	500,000	41,667	41,667	41,667	41,667
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	625,000	-	-	625,000
370: Outside Services	-	-	-	916,667	291,667	291,667	916,667
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	41,300	3,442	3,442	3,442	3,442
914: Pension and Benefits	-	-	94,950	7,913	7,913	7,913	7,913
915: Injuries and Damages	-	-	94,800	7,900	7,900	7,900	7,900
921: Stores Load	-	-	-	104,800	-	-	104,800
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	51,174	112,181	24,681	24,681	112,181
926: A&G Loads	-	-	18,750	59,375	12,500	12,500	59,375
928: AFUDC Debt	-	-	829	3,606	5,972	6,810	9,193
929: AFUDC Equity	-	-	1,121	4,878	8,080	9,213	12,437
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	-	802,923	1,887,429	403,822	405,793	1,900,575

Project No: **15105222** **Alamogordo Substation Co1**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	41,667	41,667	41,667	791,669
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	854,167	2,104,167
370: Outside Services	291,667	291,667	770,833	3,770,835
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	3,442	3,442	3,442	65,392
914: Pension and Benefits	7,913	7,913	7,913	150,338
915: Injuries and Damages	7,900	7,900	7,900	150,100
921: Stores Load	-	-	143,227	352,827
922: Minor Material Load	-	-	-	-
925: E&S Loads	24,681	24,681	118,014	492,275
926: A&G Loads	12,500	12,500	62,500	250,000
928: AFUDC Debt	11,589	12,456	15,004	65,460
929: AFUDC Equity	15,678	16,851	20,298	88,557
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	417,036	419,077	2,044,965	8,281,620

Project No: 15105222 Alamogordo Substation Co1

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	791,669	41,667	41,667	41,667	916,670	80,000	41,667	41,667
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	2,104,167	729,167	729,167	2,354,167	5,916,667	1,400,000	929,167	929,167
370: Outside Services	3,770,835	145,833	145,833	1,770,833	5,833,334	1,925,000	200,000	1,045,833
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	65,392	3,442	3,442	3,442	75,717	6,608	3,442	3,442
914: Pension and Benefits	150,338	7,913	7,913	7,913	174,076	15,192	7,913	7,913
915: Injuries and Damages	150,100	7,900	7,900	7,900	173,801	15,168	7,900	7,900
921: Stores Load	352,827	122,267	122,267	394,747	992,107	234,752	155,803	155,803
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	492,275	65,514	65,514	293,014	916,319	240,938	83,306	142,514
926: A&G Loads	250,000	34,375	34,375	156,250	475,000	119,516	41,096	70,785
928: AFUDC Debt	65,460	18,360	20,853	27,365	132,039	36,166	41,956	46,124
929: AFUDC Equity	88,557	24,839	28,211	37,020	178,627	57,060	66,195	72,769
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	8,281,620	1,201,277	1,207,141	5,094,318	15,784,355	4,130,399	1,578,445	2,523,917

Project No: **15105222** **Alamogordo Substation Co1**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	41,667	41,667	41,667	41,667	-	-	1,246,672
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	750,167	729,167	729,167	729,167	-	-	12,112,669
370: Outside Services	1,145,833	1,145,833	1,145,833	1,145,833	-	-	13,587,499
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	3,442	3,442	3,442	3,442	-	-	102,975
914: Pension and Benefits	7,913	7,913	7,913	7,913	-	-	236,743
915: Injuries and Damages	7,900	7,900	7,900	7,900	-	-	236,369
921: Stores Load	125,788	122,267	122,267	122,267	-	-	2,031,052
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	136,984	135,514	135,514	135,514	-	-	1,926,605
926: A&G Loads	68,012	67,275	67,275	67,275	-	-	976,234
928: AFUDC Debt	51,143	56,045	60,947	65,877	68,541	68,927	627,766
929: AFUDC Equity	80,689	88,423	96,157	103,935	108,138	108,746	960,739
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	(31,773,346)	(31,773,346)
825: Closing Cost of Removal	-	-	-	-	-	(2,271,977)	(2,271,977)
Project Net	2,419,538	2,405,445	2,418,082	2,430,790	176,679	(33,867,651)	0

Project No: 41001721 FOMA13 Feeder Rebuild

Company:	001	Electric Services
Location:	410	Santa Fe Electric Servics

Project Information

County %	Santa Fe	100%	

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2032

Description

The Fort Marcy 13 Underground (FOMA13 UG) project includes the demolition and construction of the FOMA13 distribution feeder. The project will consist of a complete rebuild of approximately 5.09 miles of the FOMA13 backbone (3 phase primary) in the Albuquerque metro region. This will involve upgrading ~ 180 poles to ensure they are the standard height and class, upgrading ~ 26,875 linear feet of primary wire to 397 All Aluminum Conductor with a 2/0 Aluminum Conductor Steel-Reinforced Cable System Neutral, as well as upgrading all open wire secondary along the backbone to Triplex wire. Replacements of existing facilities will be done according to the latest PNM engineering standards.

Project No: 41001721 FOMA13 Feeder Rebuild

Project Need Justification

The purpose of this project is to improve the reliability of PNM's FOMA13 Feeder which serves over 8,974 customers and has, over the last several years, experienced 24 outages. The top causes for performance issues with this feeder are lightning, bird related incidents, non-standard pole heights, decayed poles and cross-arms, vegetation overgrowth, and conductor flash due to long span lengths. The project will reduce the risk of customer outages, decrease fire hazards, and reduce environmental impacts. This system reliability improvement will include upgrading the feeder overhead conductor and replacement of decayed and undersized poles, cross-arms, and associated parts and hardware.

Environmental benefits include upgrading all poles to be raptor safe, incorporating fire mitigation design methods, installing additional lightning protection, and providing needed vegetation management for the feeders.

Project No: **41001721** **FOMA13 Feeder Rebuild**

Project Alternatives

1. Do nothing. This will enable performance issues to persist and to increase as existing equipment decays, which will raise the risk of customer outages, fire hazards, and environmental impacts.
2. Replace the infrastructure reactively and piecemeal as individual pieces of equipment fail or reach the end of useful life. This alternative was not considered as over time it would cost more than a fully planned replacement at scale. This option would also not provide a material improvement in reliability that would be achieved via the rebuild.

Project No: **41001721** **FOMA13 Feeder Rebuild**

Project Estimate Approach	The estimate is all inclusive for design, procurement, and build. Quotes for major equipment and estimating models from previous installations were used to determine pricing for current project.

Project No: **41001721** **FOMA13 Feeder Rebuild**

Customer Benefit	This project will rebuild the FOMA13 distribution feeder backbone to new standards of poles, wire, protective devices, transformers, and other distribution equipment to increase the reliability for customer service. Other benefits include the reduction of the risk of customer outages, decreased fire hazards, and reduced environmental impacts (i.e. all poles to be raptor safe, incorporating fire mitigation design methods, installing additional lightning protection, and providing overdue vegetation management for the feeders)

Project No: 41001721 FOMA13 Feeder Rebuild

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **41001721** **FOMA13 Feeder Rebuild**

General Services

Reliability & Resiliency

Data analysis shows the aging assets of the feeder have an increasing possibility of failure over the next 10 years, which would decrease overall system performance and reliability. Proactive capital investment to rebuild the feeder to new standards will provide the highest reliability benefits.

Safety & Security

Technology Advancements

Project No: 41001721 FOMA13 Feeder Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	40,713	-	-	-	-	-	-	40,713
120: Overtime-General	8,296	-	-	-	-	-	-	8,296
350: Material Issues-Major	2,542,496	-	-	-	-	-	-	2,542,496
370: Outside Services	13,163,158	-	-	-	-	-	-	13,163,158
374: Outside Services Legal	1,162	-	-	-	-	-	-	1,162
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	20,483	-	-	-	-	-	-	20,483
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	3,762	-	-	-	-	-	-	3,762
914: Pension and Benefits	10,687	-	-	-	-	-	-	10,687
915: Injuries and Damages	5,678	-	-	-	-	-	-	5,678
921: Stores Load	177,283	-	-	-	-	-	-	177,283
922: Minor Material Load	103,966	-	-	-	-	-	-	103,966
925: E&S Loads	1,176,595	-	-	-	-	-	-	1,176,595
926: A&G Loads	589,768	-	-	-	-	-	-	589,768
928: AFUDC Debt	479,221	5,221	-	-	-	-	-	484,442
929: AFUDC Equity	525,357	5,564	-	-	-	-	-	530,921
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(15,298,758)	(2,127,510)	-	-	-	-	-	(17,426,268)
825: Closing Cost of Removal	(1,258,552)	(174,589)	-	-	-	-	-	(1,433,141)
Project Net	2,291,313	(2,291,313)	-	-	-	-	-	0

Project No: **41001721** **FOMA13 Feeder Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	40,713	-	-	-	-	-	-
120: Overtime-General	8,296	-	-	-	-	-	-
350: Material Issues-Major	2,542,496	-	-	-	-	-	-
370: Outside Services	13,163,158	-	-	-	-	-	-
374: Outside Services Legal	1,162	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	20,483	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	3,762	-	-	-	-	-	-
914: Pension and Benefits	10,687	-	-	-	-	-	-
915: Injuries and Damages	5,678	-	-	-	-	-	-
921: Stores Load	177,283	-	-	-	-	-	-
922: Minor Material Load	103,966	-	-	-	-	-	-
925: E&S Loads	1,176,595	-	-	-	-	-	-
926: A&G Loads	589,768	-	-	-	-	-	-
928: AFUDC Debt	484,442	-	-	-	-	-	-
929: AFUDC Equity	530,921	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(17,426,268)	-	-	-	-	-	-
825: Closing Cost of Removal	(1,433,141)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: 41001721 FOMA13 Feeder Rebuild

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	40,713
120: Overtime-General	-	-	-	8,296
350: Material Issues-Major	-	-	-	2,542,496
370: Outside Services	-	-	-	13,163,158
374: Outside Services Legal	-	-	-	1,162
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	20,483
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	3,762
914: Pension and Benefits	-	-	-	10,687
915: Injuries and Damages	-	-	-	5,678
921: Stores Load	-	-	-	177,283
922: Minor Material Load	-	-	-	103,966
925: E&S Loads	-	-	-	1,176,595
926: A&G Loads	-	-	-	589,768
928: AFUDC Debt	-	-	-	484,442
929: AFUDC Equity	-	-	-	530,921
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(17,426,268)
825: Closing Cost of Removal	-	-	-	(1,433,141)
Project Net	-	-	-	0

Project No: 41001721 FOMA13 Feeder Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	40,713	-	-	-	40,713	-	-	-
120: Overtime-General	8,296	-	-	-	8,296	-	-	-
350: Material Issues-Major	2,542,496	-	-	-	2,542,496	-	-	-
370: Outside Services	13,163,158	-	-	-	13,163,158	-	-	-
374: Outside Services Legal	1,162	-	-	-	1,162	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	20,483	-	-	-	20,483	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	3,762	-	-	-	3,762	-	-	-
914: Pension and Benefits	10,687	-	-	-	10,687	-	-	-
915: Injuries and Damages	5,678	-	-	-	5,678	-	-	-
921: Stores Load	177,283	-	-	-	177,283	-	-	-
922: Minor Material Load	103,966	-	-	-	103,966	-	-	-
925: E&S Loads	1,176,595	-	-	-	1,176,595	-	-	-
926: A&G Loads	589,768	-	-	-	589,768	-	-	-
928: AFUDC Debt	484,442	-	-	-	484,442	-	-	-
929: AFUDC Equity	530,921	-	-	-	530,921	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(17,426,268)	-	-	-	(17,426,268)	-	-	-
825: Closing Cost of Removal	(1,433,141)	-	-	-	(1,433,141)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **41001721** **FOMA13 Feeder Rebuild**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	40,713
120: Overtime-General	-	-	-	-	-	-	8,296
350: Material Issues-Major	-	-	-	-	-	-	2,542,496
370: Outside Services	-	-	-	-	-	-	13,163,158
374: Outside Services Legal	-	-	-	-	-	-	1,162
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	20,483
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	3,762
914: Pension and Benefits	-	-	-	-	-	-	10,687
915: Injuries and Damages	-	-	-	-	-	-	5,678
921: Stores Load	-	-	-	-	-	-	177,283
922: Minor Material Load	-	-	-	-	-	-	103,966
925: E&S Loads	-	-	-	-	-	-	1,176,595
926: A&G Loads	-	-	-	-	-	-	589,768
928: AFUDC Debt	-	-	-	-	-	-	484,442
929: AFUDC Equity	-	-	-	-	-	-	530,921
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(17,426,268)
825: Closing Cost of Removal	-	-	-	-	-	-	(1,433,141)
Project Net	-	-	-	-	-	-	0

Project No: **41002015** **Caja del Rio 11 to Beckner 12 FT**

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

Project Information

County % Santa Fe 100%

Estimated Start Date 6/1/2026

Estimated Completion Date 12/31/2032

Description

The purpose of this project is the need for an additional feeder capacity for normal and contingency conditions for the Beckner Feeder 13 and Beckner substation. The project achieves those goals by creating a new feeder tie between Caja del Rio Feeder 11 and Beckner Feeder 13, permanently transferring load from Miguel Lujan 14 to Caja del Rio Feeder 11 and Beckner 13 to Caja del Rio Feeder 11.

Project No: 41002015 Caja del Rio 11 to Beckner 12 FT

Project Need Justification

The new feeder tie will provide additional feeder and substation capacity by transferring load from Beckner Substation to Caja Del Rio Substation and provide a new switching option for an outage of the Beckner Substation. The additional capacity and switching option are needed to avoid existing substation and feeder loading issues for contingency conditions. The new tie will provide switching options between Beckner Feeder 12 and Caja Del Rio Feeder 11 that create additional backup support options in the event of an outage of either of these feeders.

Project No: **41002015** **Caja del Rio 11 to Beckner 12 FT**

Project Alternatives

The only alternative is to do nothing. Doing nothing would mean that some customers would be out of service during an outage until the problem could be fixed, with no backup from a switching option.

Project No: **41002015** **Caja del Rio 11 to Beckner 12 FT**

Project Estimate Approach

This project was estimated using historical PNM data on similar projects using similar materials, internal engineering resources, and external labor.

Project No: 41002015 Caja del Rio 11 to Beckner 12 FT

Customer Benefit	This project will ensure that PNM can maintain service to residential and commercial customers during outages and provide another avenue to switch load around in the event of an outage. The project also ensures voltages and equipment loading remain within PNM's operational limits.

Project No: 41002015 Caja del Rio 11 to Beckner 12 FT

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **41002015** **Caja del Rio 11 to Beckner 12 FT**

General Services

Reliability & Resiliency

The new feeder tie will support reliability by providing switching options between Beckner Feeder 12 and Caja Del Rio Feeder 11, creating additional backup support options in the area in the event of an outage of either of these feeders.

Safety & Security

Technology Advancements

Project No: 41002015 Caja del Rio 11 to Beckner 12 FT

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **41002015** **Caja del Rio 11 to Beckner 12 FT**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	2,500	2,500	2,500	2,500	2,500	2,500
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	31,333	31,333	31,333	31,333	31,333	31,333
370: Outside Services	-	218,753	218,753	218,753	218,753	218,753	218,753
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	4,181	4,181	4,181	4,181	4,181	4,181
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	207	207	207	207	207	207
914: Pension and Benefits	-	475	475	475	475	475	475
915: Injuries and Damages	-	474	474	474	474	474	474
921: Stores Load	-	5,254	5,254	5,254	5,254	5,254	5,254
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	18,055	18,055	18,055	18,055	18,055	18,055
926: A&G Loads	-	9,629	9,629	9,629	9,629	9,629	9,629
928: AFUDC Debt	-	301	904	1,511	2,121	2,734	3,350
929: AFUDC Equity	-	407	1,224	2,044	2,869	3,699	4,532
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	291,568	292,988	294,415	295,850	297,292	298,742

Project No: **41002015** **Caja del Rio 11 to Beckner 12 FT**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	2,500	2,500	2,500	22,500
120: Overtime-General	-	-	-	-
350: Material Issues-Major	31,333	31,333	31,333	282,000
370: Outside Services	218,753	218,753	218,753	1,968,775
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	4,181	4,181	4,181	37,631
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	207	207	207	1,859
914: Pension and Benefits	475	475	475	4,273
915: Injuries and Damages	474	474	474	4,266
921: Stores Load	5,254	5,254	5,254	47,286
922: Minor Material Load	-	-	-	-
925: E&S Loads	18,055	18,055	18,055	162,491
926: A&G Loads	9,629	9,629	9,629	86,659
928: AFUDC Debt	3,970	4,592	5,218	24,702
929: AFUDC Equity	5,370	6,213	7,059	33,417
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	300,200	301,665	303,138	2,675,858

Project No: 41002015 Caja del Rio 11 to Beckner 12 FT

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	22,500	2,500	2,500	2,500	30,000	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	282,000	31,333	31,333	31,333	376,000	-	-	-
370: Outside Services	1,968,775	218,753	218,753	218,753	2,625,033	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	37,631	4,181	4,181	4,181	50,175	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,859	207	207	207	2,478	-	-	-
914: Pension and Benefits	4,273	475	475	475	5,697	-	-	-
915: Injuries and Damages	4,266	474	474	474	5,688	-	-	-
921: Stores Load	47,286	5,254	5,254	5,254	63,048	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	162,491	18,055	18,055	18,055	216,655	-	-	-
926: A&G Loads	86,659	9,629	9,629	9,629	115,545	-	-	-
928: AFUDC Debt	24,702	5,847	6,480	7,116	44,145	-	-	-
929: AFUDC Equity	33,417	7,911	8,766	9,627	59,721	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(3,349,862)	(3,349,862)	-	-	-
825: Closing Cost of Removal	-	-	-	(244,322)	(244,322)	-	-	-
Project Net	2,675,858	304,618	306,106	(3,286,582)	-	-	-	-

Project No: **41002015** **Caja del Rio 11 to Beckner 12 FT**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	30,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	376,000
370: Outside Services	-	-	-	-	-	-	2,625,033
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	50,175
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	2,478
914: Pension and Benefits	-	-	-	-	-	-	5,697
915: Injuries and Damages	-	-	-	-	-	-	5,688
921: Stores Load	-	-	-	-	-	-	63,048
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	216,655
926: A&G Loads	-	-	-	-	-	-	115,545
928: AFUDC Debt	-	-	-	-	-	-	44,145
929: AFUDC Equity	-	-	-	-	-	-	59,721
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(3,349,862)
825: Closing Cost of Removal	-	-	-	-	-	-	(244,322)
Project Net	-	-	-	-	-	-	-

Project No: 41002023 El Dorado 12 Phase 2 Feeder Rebuild

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

Project Information County % Total System 100%

Estimated Start Date 6/2/2023

Estimated Completion Date 12/31/2027

Description

Rebuild approximately 18 miles of El Dorado 12 Phase 2 distribution feeder laterals to current PNM standards. The project includes replacement of underground single-phase cable, installation of 24 transformers, protective devices, and other associated distribution equipment to improve feeder performance and reliability.

Project No: 41002023 El Dorado 12 Phase 2 Feeder Rebuild

Project Need Justification

El Dorado 12 Phase 2 has been identified as a priority feeder rebuild due to an increasing number of extended outages and aging infrastructure with a growing probability of failure. Proactive replacement is needed to improve system reliability, reduce customer outages, decrease fire hazards, and lower future maintenance requirements.

Project No: **41002023** **El Dorado 12 Phase 2 Feeder Rebuild**

Project Alternatives	Continue operating and maintaining the existing feeder laterals and replace assets as failures occur, or defer the rebuild to a future year. These alternatives are not recommended because postponing replacement increases the likelihood and frequency of outages as the existing assets continue to age.

Project No: 41002023 El Dorado 12 Phase 2 Feeder Rebuild

Project Estimate Approach	Project estimate was developed based on the defined feeder rebuild scope, including approximately 18 miles of underground cable replacement and 24 transformer installations. The estimate includes engineering, lands support, material procurement, construction, project support, and applicable contingency, with construction pricing to be validated through competitive bidding.

Project No: **41002023** **El Dorado 12 Phase 2 Feeder Rebuild**

Customer Benefit	Improves reliability for customers served by El Dorado 12 by proactively replacing aging underground infrastructure, reducing the frequency and duration of outages, and improving long-term system performance.

Project No: 41002023 El Dorado 12 Phase 2 Feeder Rebuild

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **41002023** **El Dorado 12 Phase 2 Feeder Rebuild**

General Services

Reliability & Resiliency

Feeder rebuild allows to update equipment on a historical worst performing feeder to improve SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) performance in this area.

Safety & Security

Technology Advancements

Project No: 41002023 El Dorado 12 Phase 2 Feeder Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	3,316	-	-	-	-	-	-	3,316
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	983,901	310,000	-	-	-	-	-	1,293,901
370: Outside Services	3,804,733	350,842	286,361	398,788	108,635	-	-	4,949,360
374: Outside Services Legal	13,881	-	-	-	-	-	-	13,881
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	71	-	-	-	-	-	-	71
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	263	-	-	-	-	-	-	263
914: Pension and Benefits	661	-	-	-	-	-	-	661
915: Injuries and Damages	569	-	-	-	-	-	-	569
921: Stores Load	33,622	70,643	-	-	-	-	-	104,265
922: Minor Material Load	74,598	-	-	-	-	-	-	74,598
925: E&S Loads	336,865	42,955	18,613	25,921	7,061	-	-	431,416
926: A&G Loads	267,691	34,364	14,891	20,737	5,649	-	-	343,331
928: AFUDC Debt	101,273	1,750	3,054	771	1,000	-	-	107,848
929: AFUDC Equity	77,888	1,865	3,254	822	1,066	-	-	84,895
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(4,895,882)	-	(1,306,708)	(172,706)	(465,089)	-	-	(6,840,386)
825: Closing Cost of Removal	-	-	(488,322)	(23,509)	(56,160)	-	-	(567,991)
Project Net	803,451	812,419	(1,468,857)	250,824	(397,837)	-	-	-

Project No: **41002023** **El Dorado 12 Phase 2 Feeder Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	3,316	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	1,293,901	-	-	-	-	-	-
370: Outside Services	4,949,360	-	-	-	-	-	-
374: Outside Services Legal	13,881	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	71	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	263	-	-	-	-	-	-
914: Pension and Benefits	661	-	-	-	-	-	-
915: Injuries and Damages	569	-	-	-	-	-	-
921: Stores Load	104,265	-	-	-	-	-	-
922: Minor Material Load	74,598	-	-	-	-	-	-
925: E&S Loads	431,416	-	-	-	-	-	-
926: A&G Loads	343,331	-	-	-	-	-	-
928: AFUDC Debt	107,848	-	-	-	-	-	-
929: AFUDC Equity	84,895	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(6,840,386)	-	-	-	-	-	-
825: Closing Cost of Removal	(567,991)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **41002023** **El Dorado 12 Phase 2 Feeder Rebuild**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	3,316
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	1,293,901
370: Outside Services	-	-	-	4,949,360
374: Outside Services Legal	-	-	-	13,881
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	71
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	263
914: Pension and Benefits	-	-	-	661
915: Injuries and Damages	-	-	-	569
921: Stores Load	-	-	-	104,265
922: Minor Material Load	-	-	-	74,598
925: E&S Loads	-	-	-	431,416
926: A&G Loads	-	-	-	343,331
928: AFUDC Debt	-	-	-	107,848
929: AFUDC Equity	-	-	-	84,895
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(6,840,386)
825: Closing Cost of Removal	-	-	-	(567,991)
Project Net	-	-	-	-

Project No: 41002023 El Dorado 12 Phase 2 Feeder Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	3,316	-	-	-	3,316	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,293,901	-	-	-	1,293,901	-	-	-
370: Outside Services	4,949,360	-	-	-	4,949,360	-	-	-
374: Outside Services Legal	13,881	-	-	-	13,881	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	71	-	-	-	71	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	263	-	-	-	263	-	-	-
914: Pension and Benefits	661	-	-	-	661	-	-	-
915: Injuries and Damages	569	-	-	-	569	-	-	-
921: Stores Load	104,265	-	-	-	104,265	-	-	-
922: Minor Material Load	74,598	-	-	-	74,598	-	-	-
925: E&S Loads	431,416	-	-	-	431,416	-	-	-
926: A&G Loads	343,331	-	-	-	343,331	-	-	-
928: AFUDC Debt	107,848	-	-	-	107,848	-	-	-
929: AFUDC Equity	84,895	-	-	-	84,895	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(6,840,386)	-	-	-	(6,840,386)	-	-	-
825: Closing Cost of Removal	(567,991)	-	-	-	(567,991)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **41002023** **El Dorado 12 Phase 2 Feeder Rebuild**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	3,316
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,293,901
370: Outside Services	-	-	-	-	-	-	4,949,360
374: Outside Services Legal	-	-	-	-	-	-	13,881
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	71
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	263
914: Pension and Benefits	-	-	-	-	-	-	661
915: Injuries and Damages	-	-	-	-	-	-	569
921: Stores Load	-	-	-	-	-	-	104,265
922: Minor Material Load	-	-	-	-	-	-	74,598
925: E&S Loads	-	-	-	-	-	-	431,416
926: A&G Loads	-	-	-	-	-	-	343,331
928: AFUDC Debt	-	-	-	-	-	-	107,848
929: AFUDC Equity	-	-	-	-	-	-	84,895
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(6,840,386)
825: Closing Cost of Removal	-	-	-	-	-	-	(567,991)
Project Net	-	-	-	-	-	-	-

Project No: **41002124** **Beckner 14 Line Extension**

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

Project Information County % Santa Fe 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 11/30/2030

Description

The purpose of this project is to extend the Beckner 14 Feeder approximately 0.6 miles by installing a new section of three phase underground cable along Beckner Road.

Project No: 41002124 Beckner 14 Line Extension

Project Need Justification

This project is needed to relieve existing thermal overloads, relieve current levels that exceed the thermal rating of the current transformers on the Rodeo 13 feeder, and allow for the connection of a large commercial load in the area. The line extension will allow a large amount of load to be transferred from the Rodeo 13 Feeder to the Beckner 14 Feeder while still allowing Presbyterian Hospital to be served from either substation in the event of an outage.

Project No: **41002124** **Beckner 14 Line Extension**

Project Alternatives

1. Do nothing. This is not a viable option as the existing infrastructure is not sufficient to provide service to a large commercial customer that wants to locate in the area.
2. Transfer load from the Rodeo 13 Feeder to the Beckner 13 Feeder. This is not a viable option as there is currently insufficient capacity on Beckner 13 to resolve the thermal overload.
3. Transfer another section of the Rodeo 13 Feeder to the Beckner 14 Feeder by closing switch SW4310F and opening switch SW4202F. This approach has already been completed. Unfortunately, it did not result in sufficient load reduction on Rodeo 13 Feeder to reach an acceptable load.

Project No: **41002124** **Beckner 14 Line Extension**

Project Estimate Approach	The project estimate is based on a cost estimate provided by PNM's Distribution Engineering Team, supplemented by cost data from recently designed and constructed distribution lines that are similar. The estimate also incorporates historical costs from comparable projects requiring similar materials, internal engineering resources, and external labor.

Project No: **41002124** **Beckner 14 Line Extension**

Customer Benefit

This project will ensure PNM can provide service to a large commercial customer and provide reliable power to Presbyterian Hospital from either Rodeo or Beckner Substations in the event of an outage. This project also ensures voltages and equipment loading remain within PNM's operational limits.

Project No: 41002124 Beckner 14 Line Extension

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **41002124** **Beckner 14 Line Extension**

General Services

Reliability & Resiliency

The Beckner 14 Line Extension will increase reliability by providing power to the Presbyterian Hospital from either Beckner 14 or Rodeo 13 feeders and will provide increased feeder capacity for new residential and commercial customers.

Safety & Security

Technology Advancements

Project No: 41002124 Beckner 14 Line Extension

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **41002124** **Beckner 14 Line Extension**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	225,000	225,000	225,000	225,000	225,000	225,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	15,750	15,750	15,750	15,750	15,750	15,750
926: A&G Loads	-	8,438	8,438	8,438	8,438	8,438	8,438
928: AFUDC Debt	-	258	775	1,295	1,817	2,342	2,870
929: AFUDC Equity	-	349	1,048	1,751	2,458	3,169	3,883
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	249,794	251,011	252,233	253,463	254,698	255,941

Project No: **41002124** **Beckner 14 Line Extension**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	225,000	225,000	225,000	2,025,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	15,750	15,750	15,750	141,750
926: A&G Loads	8,438	8,438	8,438	75,938
928: AFUDC Debt	3,401	3,934	4,471	21,163
929: AFUDC Equity	4,601	5,323	6,048	28,629
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	257,189	258,444	259,706	2,292,480

Project No: 41002124 Beckner 14 Line Extension

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	2,025,000	225,000	225,000	225,000	2,700,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	141,750	15,750	15,750	15,750	189,000	-	-	-
926: A&G Loads	75,938	8,438	8,438	8,438	101,250	-	-	-
928: AFUDC Debt	21,163	5,010	5,552	6,096	37,820	-	-	-
929: AFUDC Equity	28,629	6,777	7,510	8,247	51,165	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(2,869,917)	(2,869,917)	-	-	-
825: Closing Cost of Removal	-	-	-	(209,318)	(209,318)	-	-	-
Project Net	2,292,480	260,974	262,250	(2,815,704)	-	-	-	-

Project No: **41002124** **Beckner 14 Line Extension**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	2,700,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	189,000
926: A&G Loads	-	-	-	-	-	-	101,250
928: AFUDC Debt	-	-	-	-	-	-	37,820
929: AFUDC Equity	-	-	-	-	-	-	51,165
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,869,917)
825: Closing Cost of Removal	-	-	-	-	-	-	(209,318)
Project Net	-	-	-	-	-	-	-

Project No: **41002525** **STPE12 HC Solution**

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

Project Information

County % Santa Fe 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

Upgrade the State Pen 12 (STPE12) feeder to address hosting capacity limitations and support additional customer solar interconnections. The project includes upgrading approximately 0.4 miles of 750 aluminum cable to 750 copper cable and evaluating and upgrading, as required, approximately 5.4 miles of 397 All-Aluminum Conductor (AAC). Work includes material procurement, construction, Joint Use coordination, and associated project support.

Project No: 41002525 STPE12 HC Solution

Project Need Justification	PNM Planning identified criteria violations on STPE12 during minimum daylight load conditions that limit the ability to accommodate queued customer photovoltaic interconnections. The project is needed to address these system constraints, increase available hosting capacity, and provide safe and reliable interconnection of additional customer solar generation.

Project No: **41002525** **STPE12 HC Solution**

Project Alternatives	Continue operating the existing feeder without improvements and restrict additional photovoltaic interconnections where planning criteria cannot be met. This alternative is not recommended because it would leave existing system constraints unresolved and limit the ability to accommodate queued and future customer solar interconnections.

Project No: 41002525 STPE12 HC Solution

Project Estimate Approach	The estimate was developed from the defined engineering scope and planned construction required to address the identified hosting capacity constraints. Costs include material procurement, engineering and project support, construction, applicable indirect costs, and AFUDC (allowances for funds used during construction).

Project No: **41002525** **STPE12 HC Solution**

Customer Benefit	Increases distribution hosting capacity to support additional customer solar interconnections while maintaining safe and reliable electric service. The improvements also address existing planning criteria violations and strengthen the feeder for continued customer energy needs.

Project No:	**41002525**	**STPE12 HC Solution**
Primary Value Driver	Compliance	
Compliance	Feeder upgrade allows for more capacity in the area to allow for more solar interconnects in this area.	
Customer Delivery		
Energy Transition		

Project No: **41002525** **STPE12 HC Solution**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 41002525 STPE12 HC Solution

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	12,508	2,500	2,500	2,500	-	-	-	20,008
120: Overtime-General	73	-	-	-	-	-	-	73
350: Material Issues-Major	690,378	-	-	-	-	-	-	690,378
370: Outside Services	374,249	706,500	557,500	407,500	57,500	-	-	2,103,249
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2	-	-	-	-	-	-	2
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	959	191	191	191	-	-	-	1,530
914: Pension and Benefits	2,302	465	465	465	-	-	-	3,697
915: Injuries and Damages	2,491	495	495	495	-	-	-	3,976
921: Stores Load	20,806	-	-	-	-	-	-	20,806
922: Minor Material Load	66,540	-	-	-	-	-	-	66,540
925: E&S Loads	74,793	46,160	36,475	26,725	3,738	-	-	187,890
926: A&G Loads	65,422	36,868	29,120	21,320	2,990	-	-	155,720
928: AFUDC Debt	8,555	4,179	5,828	7,104	7,740	-	-	33,406
929: AFUDC Equity	7,431	4,453	6,212	7,571	8,249	-	-	33,916
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(3,183,957)	-	-	(3,183,957)
825: Closing Cost of Removal	-	-	-	-	(137,236)	-	-	(137,236)
Project Net	1,326,510	801,811	638,786	473,870	(3,240,976)	-	-	-

Project No: **41002525** **STPE12 HC Solution**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	20,008	-	-	-	-	-	-
120: Overtime-General	73	-	-	-	-	-	-
350: Material Issues-Major	690,378	-	-	-	-	-	-
370: Outside Services	2,103,249	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	2	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,530	-	-	-	-	-	-
914: Pension and Benefits	3,697	-	-	-	-	-	-
915: Injuries and Damages	3,976	-	-	-	-	-	-
921: Stores Load	20,806	-	-	-	-	-	-
922: Minor Material Load	66,540	-	-	-	-	-	-
925: E&S Loads	187,890	-	-	-	-	-	-
926: A&G Loads	155,720	-	-	-	-	-	-
928: AFUDC Debt	33,406	-	-	-	-	-	-
929: AFUDC Equity	33,916	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(3,183,957)	-	-	-	-	-	-
825: Closing Cost of Removal	(137,236)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **41002525** **STPE12 HC Solution**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	20,008
120: Overtime-General	-	-	-	73
350: Material Issues-Major	-	-	-	690,378
370: Outside Services	-	-	-	2,103,249
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	2
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,530
914: Pension and Benefits	-	-	-	3,697
915: Injuries and Damages	-	-	-	3,976
921: Stores Load	-	-	-	20,806
922: Minor Material Load	-	-	-	66,540
925: E&S Loads	-	-	-	187,890
926: A&G Loads	-	-	-	155,720
928: AFUDC Debt	-	-	-	33,406
929: AFUDC Equity	-	-	-	33,916
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(3,183,957)
825: Closing Cost of Removal	-	-	-	(137,236)
Project Net	-	-	-	-

Project No: 41002525 STPE12 HC Solution

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	20,008	-	-	-	20,008	-	-	-
120: Overtime-General	73	-	-	-	73	-	-	-
350: Material Issues-Major	690,378	-	-	-	690,378	-	-	-
370: Outside Services	2,103,249	-	-	-	2,103,249	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2	-	-	-	2	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,530	-	-	-	1,530	-	-	-
914: Pension and Benefits	3,697	-	-	-	3,697	-	-	-
915: Injuries and Damages	3,976	-	-	-	3,976	-	-	-
921: Stores Load	20,806	-	-	-	20,806	-	-	-
922: Minor Material Load	66,540	-	-	-	66,540	-	-	-
925: E&S Loads	187,890	-	-	-	187,890	-	-	-
926: A&G Loads	155,720	-	-	-	155,720	-	-	-
928: AFUDC Debt	33,406	-	-	-	33,406	-	-	-
929: AFUDC Equity	33,916	-	-	-	33,916	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(3,183,957)	-	-	-	(3,183,957)	-	-	-
825: Closing Cost of Removal	(137,236)	-	-	-	(137,236)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **41002525** **STPE12 HC Solution**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	20,008
120: Overtime-General	-	-	-	-	-	-	73
350: Material Issues-Major	-	-	-	-	-	-	690,378
370: Outside Services	-	-	-	-	-	-	2,103,249
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	2
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,530
914: Pension and Benefits	-	-	-	-	-	-	3,697
915: Injuries and Damages	-	-	-	-	-	-	3,976
921: Stores Load	-	-	-	-	-	-	20,806
922: Minor Material Load	-	-	-	-	-	-	66,540
925: E&S Loads	-	-	-	-	-	-	187,890
926: A&G Loads	-	-	-	-	-	-	155,720
928: AFUDC Debt	-	-	-	-	-	-	33,406
929: AFUDC Equity	-	-	-	-	-	-	33,916
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(3,183,957)
825: Closing Cost of Removal	-	-	-	-	-	-	(137,236)
Project Net	-	-	-	-	-	-	-

Project No: 41002724 COLI13 Feeder Rebuild Phase 2

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

Project Information

County % Santa Fe 100%

Estimated Start Date 11/1/2024

Estimated Completion Date 12/31/2026

Description

Rebuild approximately 10 miles of the Colinas 13 (COLI13) distribution feeder backbone to current PNM standards. The project includes replacement of approximately 250 wood distribution poles, conductors, protective devices, transformers, and other associated distribution equipment to address aging infrastructure and improve overall feeder performance.

Project No: 41002724 COLI13 Feeder Rebuild Phase 2

Project Need Justification	Colinas 13 was identified as a priority feeder rebuild through PNM's risk-based planning process. Aging infrastructure is increasing the likelihood of asset failure and contributing to reliability concerns associated with vegetation, equipment failures, and lightning-related outages. Proactive replacement will reduce these risks and improve long-term system performance.

Project No: **41002724** **COLI13 Feeder Rebuild Phase 2**

Project Alternatives

Continue maintaining and replacing aging infrastructure reactively as failures occur or defer the feeder rebuild to a future year. These alternatives are not recommended because reactive replacement is expected to cost more over time and delaying the rebuild reduces the reliability and risk-reduction benefits of proactive investment.

Project No: 41002724 COLI13 Feeder Rebuild Phase 2

Project Estimate Approach	Project estimate was developed based on the defined feeder rebuild scope, including approximately 10 miles of overhead backbone and 250 pole replacements. The estimate incorporates engineering, material procurement, construction, project support, and applicable contingency based on the anticipated work required to complete the rebuild.

Project No: **41002724** **COLI13 Feeder Rebuild Phase 2**

Customer Benefit	Improves reliability and resiliency for approximately 6,580 customers served by COLI13 by replacing aging infrastructure, reducing the likelihood of equipment-related outages, and preparing the feeder for future system and clean energy needs.

Project No: 41002724 COLI13 Feeder Rebuild Phase 2

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. Allows for more customer electrification which could be PV solar or electric vehicles.
Energy Transition	

Project No: **41002724** **COLI13 Feeder Rebuild Phase 2**

General Services

Reliability & Resiliency

Feeder rebuild allows to update equipment on a historical worst performing feeder to improve SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) performance in this area.

Safety & Security

Technology Advancements

Project No: 41002724 COLI13 Feeder Rebuild Phase 2

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	12,063	-	-	-	-	-	-	12,063
120: Overtime-General	38	-	-	-	-	-	-	38
350: Material Issues-Major	1,975,641	-	-	-	-	-	-	1,975,641
370: Outside Services	12,831,320	-	-	-	-	-	-	12,831,320
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,183	-	-	-	-	-	-	1,183
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	953	-	-	-	-	-	-	953
914: Pension and Benefits	2,294	-	-	-	-	-	-	2,294
915: Injuries and Damages	2,129	-	-	-	-	-	-	2,129
921: Stores Load	73,193	-	-	-	-	-	-	73,193
922: Minor Material Load	55,193	-	-	-	-	-	-	55,193
925: E&S Loads	1,021,068	-	-	-	-	-	-	1,021,068
926: A&G Loads	735,505	-	-	-	-	-	-	735,505
928: AFUDC Debt	424,335	2,081	-	-	-	-	-	426,416
929: AFUDC Equity	302,183	2,218	-	-	-	-	-	304,401
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(15,454,585)	(851,396)	-	-	-	-	-	(16,305,981)
825: Closing Cost of Removal	(1,048,481)	(86,935)	-	-	-	-	-	(1,135,416)
Project Net	934,031	(934,031)	-	-	-	-	-	0

Project No: **41002724** **COLI13 Feeder Rebuild Phase 2**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	12,063	-	-	-	-	-	-
120: Overtime-General	38	-	-	-	-	-	-
350: Material Issues-Major	1,975,641	-	-	-	-	-	-
370: Outside Services	12,831,320	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	1,183	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	953	-	-	-	-	-	-
914: Pension and Benefits	2,294	-	-	-	-	-	-
915: Injuries and Damages	2,129	-	-	-	-	-	-
921: Stores Load	73,193	-	-	-	-	-	-
922: Minor Material Load	55,193	-	-	-	-	-	-
925: E&S Loads	1,021,068	-	-	-	-	-	-
926: A&G Loads	735,505	-	-	-	-	-	-
928: AFUDC Debt	426,416	-	-	-	-	-	-
929: AFUDC Equity	304,401	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(16,305,981)	-	-	-	-	-	-
825: Closing Cost of Removal	(1,135,416)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: 41002724 COLI13 Feeder Rebuild Phase 2

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	12,063
120: Overtime-General	-	-	-	38
350: Material Issues-Major	-	-	-	1,975,641
370: Outside Services	-	-	-	12,831,320
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	1,183
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	953
914: Pension and Benefits	-	-	-	2,294
915: Injuries and Damages	-	-	-	2,129
921: Stores Load	-	-	-	73,193
922: Minor Material Load	-	-	-	55,193
925: E&S Loads	-	-	-	1,021,068
926: A&G Loads	-	-	-	735,505
928: AFUDC Debt	-	-	-	426,416
929: AFUDC Equity	-	-	-	304,401
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(16,305,981)
825: Closing Cost of Removal	-	-	-	(1,135,416)
Project Net	-	-	-	0

Project No: 41002724 COLI13 Feeder Rebuild Phase 2

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	12,063	-	-	-	12,063	-	-	-
120: Overtime-General	38	-	-	-	38	-	-	-
350: Material Issues-Major	1,975,641	-	-	-	1,975,641	-	-	-
370: Outside Services	12,831,320	-	-	-	12,831,320	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	1,183	-	-	-	1,183	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	953	-	-	-	953	-	-	-
914: Pension and Benefits	2,294	-	-	-	2,294	-	-	-
915: Injuries and Damages	2,129	-	-	-	2,129	-	-	-
921: Stores Load	73,193	-	-	-	73,193	-	-	-
922: Minor Material Load	55,193	-	-	-	55,193	-	-	-
925: E&S Loads	1,021,068	-	-	-	1,021,068	-	-	-
926: A&G Loads	735,505	-	-	-	735,505	-	-	-
928: AFUDC Debt	426,416	-	-	-	426,416	-	-	-
929: AFUDC Equity	304,401	-	-	-	304,401	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(16,305,981)	-	-	-	(16,305,981)	-	-	-
825: Closing Cost of Removal	(1,135,416)	-	-	-	(1,135,416)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **41002724** **COLI13 Feeder Rebuild Phase 2**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	12,063
120: Overtime-General	-	-	-	-	-	-	38
350: Material Issues-Major	-	-	-	-	-	-	1,975,641
370: Outside Services	-	-	-	-	-	-	12,831,320
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	1,183
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	953
914: Pension and Benefits	-	-	-	-	-	-	2,294
915: Injuries and Damages	-	-	-	-	-	-	2,129
921: Stores Load	-	-	-	-	-	-	73,193
922: Minor Material Load	-	-	-	-	-	-	55,193
925: E&S Loads	-	-	-	-	-	-	1,021,068
926: A&G Loads	-	-	-	-	-	-	735,505
928: AFUDC Debt	-	-	-	-	-	-	426,416
929: AFUDC Equity	-	-	-	-	-	-	304,401
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(16,305,981)
825: Closing Cost of Removal	-	-	-	-	-	-	(1,135,416)
Project Net	-	-	-	-	-	-	0

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

Project Information

County % Santa Fe 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2026

Description

This project's purpose is to replace an existing Federal Pacific TC 525 transformer load tap changer (LTC) from 1981 with a modern vacuum tap changer Reinhausen RMV-II-1500-15 MDIII. This will be a retrofit project that replaces the existing LTC onsite on the existing Federal Pacific station transformer serial# 50781-1. This project also requires significant road improvement to allow oil processing equipment to enter the station.

Project No: 41002824 Mejia 115kV Transformer LTC Failure

Project Need Justification

The existing Federal Pacific TC 525 LTC has shown a trend of increasing dissolved gasses through DGA results and has recently had an outage where two of the tap changer contacts were destroyed during normal operation. Recent IR scans also showed excess heat at the tap changer. A catastrophic failure of the LTC would result in an outage and could lead to a full transformer failure. Proactive replacement of the LTC prevents an LTC failure causing a complete transformer failure.

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

Project Alternatives

One alternative to replacement of the LTC would be replacement of the complete transformer. However, based on DGA results the existing transformer looks to be in good condition. Replacement of the transformer would be more costly for little additional benefit. An alternative to proactive replacement of the LTC is to replace after failure, however this could result on a higher cost if LTC failure causes transformer failure.

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

Project Estimate Approach	The project estimate was created using proposals from the LTC manufacturer and installer and from contractors on the road repair work.

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

Customer Benefit	Proactive replacement of this LTC reduces the risk of an outage to all customers being served from Mejia substation. It also reduces the risk of future additional costs related to a complete transformer failure.

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

General Services

Reliability & Resiliency

Proactive replacement of this LTC reduces the risk of an outage to all customers being served from Mejia substation. A full substation could result in significant SAIDI minutes and negatively affects customers.

Safety & Security

Technology Advancements

Project No: 41002824 Mejia 115kV Transformer LTC Failure

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	92,958	6,000	-	-	-	-	-	98,958
120: Overtime-General	217	-	-	-	-	-	-	217
350: Material Issues-Major	781	6,378	-	-	-	-	-	7,159
370: Outside Services	616,639	55,400	-	-	-	-	-	672,039
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	8,960	-	-	-	-	-	-	8,960
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	7,166	457	-	-	-	-	-	7,623
914: Pension and Benefits	16,255	1,117	-	-	-	-	-	17,372
915: Injuries and Damages	18,587	1,188	-	-	-	-	-	19,775
921: Stores Load	1,775	1,453	-	-	-	-	-	3,228
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	49,526	4,585	-	-	-	-	-	54,111
926: A&G Loads	40,680	3,524	-	-	-	-	-	44,204
928: AFUDC Debt	3,652	645	740	-	-	-	-	5,037
929: AFUDC Equity	2,939	687	789	-	-	-	-	4,415
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(642,324)	-	(303,339)	-	-	-	-	(945,662)
825: Closing Cost of Removal	-	-	2,562	-	-	-	-	2,562
Project Net	217,813	81,435	(299,248)	-	-	-	-	(0)

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	98,958	-	-	-	-	-	-
120: Overtime-General	217	-	-	-	-	-	-
350: Material Issues-Major	7,159	-	-	-	-	-	-
370: Outside Services	672,039	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	8,960	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	7,623	-	-	-	-	-	-
914: Pension and Benefits	17,372	-	-	-	-	-	-
915: Injuries and Damages	19,775	-	-	-	-	-	-
921: Stores Load	3,228	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	54,111	-	-	-	-	-	-
926: A&G Loads	44,204	-	-	-	-	-	-
928: AFUDC Debt	5,037	-	-	-	-	-	-
929: AFUDC Equity	4,415	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(945,662)	-	-	-	-	-	-
825: Closing Cost of Removal	2,562	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	98,958
120: Overtime-General	-	-	-	217
350: Material Issues-Major	-	-	-	7,159
370: Outside Services	-	-	-	672,039
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	8,960
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	7,623
914: Pension and Benefits	-	-	-	17,372
915: Injuries and Damages	-	-	-	19,775
921: Stores Load	-	-	-	3,228
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	54,111
926: A&G Loads	-	-	-	44,204
928: AFUDC Debt	-	-	-	5,037
929: AFUDC Equity	-	-	-	4,415
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(945,662)
825: Closing Cost of Removal	-	-	-	2,562
Project Net	-	-	-	(0)

Project No: 41002824 Mejia 115kV Transformer LTC Failure

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	98,958	-	-	-	98,958	-	-	-
120: Overtime-General	217	-	-	-	217	-	-	-
350: Material Issues-Major	7,159	-	-	-	7,159	-	-	-
370: Outside Services	672,039	-	-	-	672,039	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	8,960	-	-	-	8,960	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	7,623	-	-	-	7,623	-	-	-
914: Pension and Benefits	17,372	-	-	-	17,372	-	-	-
915: Injuries and Damages	19,775	-	-	-	19,775	-	-	-
921: Stores Load	3,228	-	-	-	3,228	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	54,111	-	-	-	54,111	-	-	-
926: A&G Loads	44,204	-	-	-	44,204	-	-	-
928: AFUDC Debt	5,037	-	-	-	5,037	-	-	-
929: AFUDC Equity	4,415	-	-	-	4,415	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(945,662)	-	-	-	(945,662)	-	-	-
825: Closing Cost of Removal	2,562	-	-	-	2,562	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **41002824** **Mejia 115kV Transformer LTC Failure**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	98,958
120: Overtime-General	-	-	-	-	-	-	217
350: Material Issues-Major	-	-	-	-	-	-	7,159
370: Outside Services	-	-	-	-	-	-	672,039
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	8,960
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	7,623
914: Pension and Benefits	-	-	-	-	-	-	17,372
915: Injuries and Damages	-	-	-	-	-	-	19,775
921: Stores Load	-	-	-	-	-	-	3,228
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	54,111
926: A&G Loads	-	-	-	-	-	-	44,204
928: AFUDC Debt	-	-	-	-	-	-	5,037
929: AFUDC Equity	-	-	-	-	-	-	4,415
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(945,662)
825: Closing Cost of Removal	-	-	-	-	-	-	2,562
Project Net	-	-	-	-	-	-	(0)

Project No: 41005324 STPE13 Feeder Rebuild

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

Project Information

County % Santa Fe 100%

Estimated Start Date 7/1/2024

Estimated Completion Date 12/31/2027

Description

Rebuild approximately 22 miles of the State Pen 13 distribution feeder backbone to current PNM standards. The project includes replacement of approximately 440 wood distribution poles, cable, protective devices, transformers, and other associated distribution equipment to address aging infrastructure and improve overall feeder performance and reliability.

Project No: 41005324 STPE13 Feeder Rebuild

Project Need Justification

State Pen 13 has been identified as a priority feeder rebuild due to aging infrastructure and an increasing number of extended outages. Since 2018, the feeder has experienced more than 160 outages affecting over 10,000 customers. Proactive replacement is needed to reduce asset failures, vegetation and lightning-related outages, fire hazards, and future maintenance requirements while improving long-term system reliability.

Project No: **41005324** **STPE13 Feeder Rebuild**

Project Alternatives

Continue operating and maintaining the existing feeder and replace assets as failures occur, or defer the rebuild to a future year. These alternatives are not recommended because aging assets have an increasing probability of failure and postponing the rebuild is expected to result in more frequent outages and continued reliability risk.

Project No: 41005324 STPE13 Feeder Rebuild

Project Estimate Approach	The project estimate was developed based on the defined 22-mile feeder backbone rebuild scope and approximately 440 pole replacements. Costs include engineering, lands support, material procurement, construction, project management, applicable indirect costs, contingency, and AFUDC (allowances for funds used during construction).

Project No: **41005324** **STPE13 Feeder Rebuild**

Customer Benefit	Improves reliability for customers served by State Pen 13 by proactively replacing aging infrastructure, reducing the frequency and duration of outages, and improving the long-term performance of the distribution system.

Project No: 41005324 STPE13 Feeder Rebuild

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **41005324** **STPE13 Feeder Rebuild**

General Services

Reliability & Resiliency

Feeder rebuild allows to update equipment on a historical worst performing feeder to improve SAIDI (System Average Interruption Duration Index) and SAIFI System Average Interruption Frequency Index) performance in this area.

Safety & Security

Technology Advancements

Project No: 41005324 STPE13 Feeder Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	64,910	-	-	-	-	-	-	64,910
120: Overtime-General	2,614	-	-	-	-	-	-	2,614
350: Material Issues-Major	3,083,683	-	-	-	-	-	-	3,083,683
370: Outside Services	13,074,125	332,141	845,713	100,000	100,000	100,000	100,000	14,651,978
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	9,486	-	-	-	-	-	-	9,486
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	5,246	-	-	-	-	-	-	5,246
914: Pension and Benefits	11,475	-	-	-	-	-	-	11,475
915: Injuries and Damages	13,197	-	-	-	-	-	-	13,197
921: Stores Load	108,509	-	-	-	-	-	-	108,509
922: Minor Material Load	123,666	-	-	-	-	-	-	123,666
925: E&S Loads	935,282	21,589	54,971	6,500	6,500	6,500	6,500	1,037,843
926: A&G Loads	686,700	17,271	43,977	5,200	5,200	5,200	5,200	768,748
928: AFUDC Debt	272,784	13,288	14,627	15,431	15,766	16,103	16,441	364,440
929: AFUDC Equity	190,875	14,162	15,588	16,446	16,803	17,161	17,522	288,557
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(11,848,933)	(96,946)	(195,676)	-	-	-	(6,767,138)	(18,908,693)
825: Closing Cost of Removal	(156,655)	(23,729)	(43,127)	-	-	-	(1,402,148)	(1,625,659)
Project Net	6,576,964	277,777	736,073	143,577	144,269	144,964	(8,023,624)	0

Project No: **41005324** **STPE13 Feeder Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	64,910	-	-	-	-	-	-
120: Overtime-General	2,614	-	-	-	-	-	-
350: Material Issues-Major	3,083,683	-	-	-	-	-	-
370: Outside Services	14,651,978	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	9,486	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	5,246	-	-	-	-	-	-
914: Pension and Benefits	11,475	-	-	-	-	-	-
915: Injuries and Damages	13,197	-	-	-	-	-	-
921: Stores Load	108,509	-	-	-	-	-	-
922: Minor Material Load	123,666	-	-	-	-	-	-
925: E&S Loads	1,037,843	-	-	-	-	-	-
926: A&G Loads	768,748	-	-	-	-	-	-
928: AFUDC Debt	364,440	-	-	-	-	-	-
929: AFUDC Equity	288,557	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(18,908,693)	-	-	-	-	-	-
825: Closing Cost of Removal	(1,625,659)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **41005324** **STPE13 Feeder Rebuild**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	64,910
120: Overtime-General	-	-	-	2,614
350: Material Issues-Major	-	-	-	3,083,683
370: Outside Services	-	-	-	14,651,978
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	9,486
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	5,246
914: Pension and Benefits	-	-	-	11,475
915: Injuries and Damages	-	-	-	13,197
921: Stores Load	-	-	-	108,509
922: Minor Material Load	-	-	-	123,666
925: E&S Loads	-	-	-	1,037,843
926: A&G Loads	-	-	-	768,748
928: AFUDC Debt	-	-	-	364,440
929: AFUDC Equity	-	-	-	288,557
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(18,908,693)
825: Closing Cost of Removal	-	-	-	(1,625,659)
Project Net	-	-	-	0

Project No: 41005324 STPE13 Feeder Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	64,910	-	-	-	64,910	-	-	-
120: Overtime-General	2,614	-	-	-	2,614	-	-	-
350: Material Issues-Major	3,083,683	-	-	-	3,083,683	-	-	-
370: Outside Services	14,651,978	-	-	-	14,651,978	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	9,486	-	-	-	9,486	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	5,246	-	-	-	5,246	-	-	-
914: Pension and Benefits	11,475	-	-	-	11,475	-	-	-
915: Injuries and Damages	13,197	-	-	-	13,197	-	-	-
921: Stores Load	108,509	-	-	-	108,509	-	-	-
922: Minor Material Load	123,666	-	-	-	123,666	-	-	-
925: E&S Loads	1,037,843	-	-	-	1,037,843	-	-	-
926: A&G Loads	768,748	-	-	-	768,748	-	-	-
928: AFUDC Debt	364,440	-	-	-	364,440	-	-	-
929: AFUDC Equity	288,557	-	-	-	288,557	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(18,908,693)	-	-	-	(18,908,693)	-	-	-
825: Closing Cost of Removal	(1,625,659)	-	-	-	(1,625,659)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: 41005324 STPE13 Feeder Rebuild

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	64,910
120: Overtime-General	-	-	-	-	-	-	2,614
350: Material Issues-Major	-	-	-	-	-	-	3,083,683
370: Outside Services	-	-	-	-	-	-	14,651,978
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	9,486
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	5,246
914: Pension and Benefits	-	-	-	-	-	-	11,475
915: Injuries and Damages	-	-	-	-	-	-	13,197
921: Stores Load	-	-	-	-	-	-	108,509
922: Minor Material Load	-	-	-	-	-	-	123,666
925: E&S Loads	-	-	-	-	-	-	1,037,843
926: A&G Loads	-	-	-	-	-	-	768,748
928: AFUDC Debt	-	-	-	-	-	-	364,440
929: AFUDC Equity	-	-	-	-	-	-	288,557
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(18,908,693)
825: Closing Cost of Removal	-	-	-	-	-	-	(1,625,659)
Project Net	-	-	-	-	-	-	0

Project No: 41005525 Zia Substation Rebuild CO1

Company:	001	Electric Services
Location:	410	Santa Fe Electric Servics

Project Information

County %		
	Santa Fe	75%
	Sandoval	25%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

Description

This project involves replacing several 46kV breakers that have reached end of life, are obsolete, and/or have been failing to operate under faults. The obsolete 46kV breakers will be replaced with new, standard 72kV class breakers.

Project No: 41005525 Zia Substation Rebuild CO1

Project Need Justification

The breakers meant to be replaced by this project are all 60+ years old and at the end of their useful life and have been determined to need replacement by inspection. Parts are obsolete and PNM is unable to do routine maintenance on them. This increases the likelihood of breaker failure under a fault. When a breaker fails, the next layer of protection must operate, making outages larger and longer in duration. The existing breakers are oil filled. Replacement with modern SF6 breakers will also reduce the risk of environmental effects from oil spills or leaks.

Project No: **41005525 Zia Substation Rebuild CO1**

Project Alternatives

The only alternative considered is leaving the existing breakers online indefinitely (do nothing approach). This option is not acceptable due to the outage risk posed by the potential failure, as they've been determined to be close to failure based on inspection. Should a breaker fail, it will cause the breakers on the next zone to operate. This will most likely result in an outage on the facilities and customers being fed off the 46kV system from Zia, including the NM roundhouse and large portions of Santa Fe and Cochiti and Santo Domingo Pueblos. Planned replacement allows for switching to prevent unplanned, prolonged outages.

Project No: 41005525 Zia Substation Rebuild CO1

Project Estimate Approach

This project was estimated using unit costs derived from previous breaker replacement projects and actual costs of the breakers themselves. The current project estimate assumes relays are not moved into the new Zia control enclosure or that those costs are covered through another project.

Project No: **41005525 Zia Substation Rebuild CO1**

Customer Benefit

The main benefit to customers for this project is increased reliability and reduced risk of outages. New breakers reduce the risk of larger and longer outages, which should translate in preventing increased SAIDI minutes as the equipment continues to age and eventually fail.

Project No: **41005525 Zia Substation Rebuild CO1**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **41005525 Zia Substation Rebuild CO1**

General Services

Reliability & Resiliency

This project will result in increased reliability for the customers being fed off the Zia 46kV system, Should a breaker fail, it will cause the breakers on the next zone to operate causing an outage on those customers being fed from lines or buses in the 46kV system, including the NM roundhouse and large parts of Santa Fe and Cochiti and Santo Domingo Pueblo.

Safety & Security

Technology Advancements

Project No: 41005525 Zia Substation Rebuild CO1

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	285,610	235,610	521,220
370: Outside Services	-	-	10,000	15,000	15,000	243,488	735,000	1,018,488
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	65,085	53,691	118,776
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	650	975	975	34,391	63,090	100,081
926: A&G Loads	-	-	520	780	780	27,513	50,472	80,065
928: AFUDC Debt	-	-	13	45	84	856	2,918	3,915
929: AFUDC Equity	-	-	14	48	89	912	3,109	4,172
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	11,196	16,848	16,928	657,855	1,143,889	1,846,716

Project No: **41005525** **Zia Substation Rebuild CO1**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	521,220	75,000	80,000	75,000	80,000	-	-
370: Outside Services	1,018,488	176,000	35,000	202,000	35,000	15,000	27,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	118,776	12,576	13,414	12,576	13,414	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	100,081	17,570	8,050	19,390	8,050	1,050	1,890
926: A&G Loads	80,065	9,413	4,313	10,388	4,313	563	1,013
928: AFUDC Debt	3,915	4,124	4,591	5,092	5,594	5,786	2,573
929: AFUDC Equity	4,172	5,578	6,211	6,888	7,568	7,828	3,481
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	(1,479,193)	-
825: Closing Cost of Removal	-	-	-	-	-	(108,477)	-
Project Net	1,846,716	300,261	151,580	331,333	153,939	(1,557,443)	35,957

Project No: 41005525 Zia Substation Rebuild CO1

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	831,220
370: Outside Services	24,500	474,500	474,500	2,481,988
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	170,756
922: Minor Material Load	-	-	-	-
925: E&S Loads	1,715	33,215	33,215	224,226
926: A&G Loads	919	17,794	17,794	146,571
928: AFUDC Debt	2,646	3,232	4,336	41,889
929: AFUDC Equity	3,579	4,372	5,866	55,545
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(1,479,193)
825: Closing Cost of Removal	-	-	-	(108,477)
Project Net	33,359	533,112	535,711	2,364,525

Project No: 41005525 Zia Substation Rebuild CO1

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	831,220	-	55,000	55,000	941,220	1,495,050	190,000	337,805
370: Outside Services	2,481,988	24,500	24,500	59,500	2,590,488	2,406,976	930,000	516,719
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	170,756	-	9,222	9,222	189,201	250,690	31,859	56,643
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	224,226	1,715	5,565	8,015	239,521	273,142	78,400	59,817
926: A&G Loads	146,571	919	2,981	4,294	154,765	136,961	39,312	29,994
928: AFUDC Debt	41,889	4,931	5,085	5,353	57,257	10,042	16,015	18,408
929: AFUDC Equity	55,545	6,670	6,879	7,242	76,336	15,843	25,267	29,043
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,479,193)	-	-	-	(1,479,193)	-	-	-
825: Closing Cost of Removal	(108,477)	-	-	-	(108,477)	-	-	-
Project Net	2,364,525	38,734	109,233	148,626	2,661,118	4,588,704	1,310,853	1,048,429

Project No: **41005525** **Zia Substation Rebuild CO1**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	245,000	385,610	245,000	90,000	90,000	192,805	4,212,490
370: Outside Services	680,719	592,719	960,719	471,360	275,360	396,360	9,821,420
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	41,082	64,659	41,082	15,091	15,091	32,330	737,728
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	64,800	68,483	84,400	39,295	25,575	41,242	974,675
926: A&G Loads	32,493	34,339	42,321	19,704	12,824	20,680	523,392
928: AFUDC Debt	20,607	22,964	25,649	27,831	29,057	3,455	231,286
929: AFUDC Equity	32,511	36,231	40,467	43,909	45,844	5,451	350,902
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(12,323,276)	-	(13,802,469)
825: Closing Cost of Removal	-	-	-	-	(891,022)	-	(999,499)
Project Net	1,117,211	1,205,006	1,439,637	707,191	(12,720,547)	692,322	2,049,925

Project No: **60001627** **Distribution Telecom 2027-2028**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Total System 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2028

Description

Implement communications infrastructure improvements across PNM's electric system to support reliable, secure and higher-capacity communications. Work includes engineering, procurement and construction of fiber, radio, microwave and network infrastructure identified through telecom planning, including improvements supporting High Fire Areas, feeder rebuilds, Advanced Metering Infrastructure (AMI), expansion of dense wavelength division multiplexing (DWDM) capacity, conversion from SONET (synchronous optical networking) to MPLS (multiprotocol label switching), and microwave upgrades.

Project No: **60001627** **Distribution Telecom 2027-2028**

Project Need Justification	PNM's existing communications infrastructure requires expansion and modernization to support current and future electric system operational needs. PNM still uses radio frequency as the main source of communications from field devices to the Distribution Operations Center (DOC). In mountainous areas, terrain limits or prevents remote communication with field devices, requiring crews to travel to these locations to update or change settings. Capital investment is required to expand communications paths and install or upgrade equipment to improve system visibility, enable remote operation and sectionalizing, increase network capacity, and replace aging or obsolete communications technologies. These improvements will enhance operational efficiency and support PNM's ability to implement reliability initiatives and deploy and operate modern grid technologies.

Project No: **60001627** **Distribution Telecom 2027-2028**

Project Alternatives	Alternatives include continued use of existing communications infrastructure, leasing third-party communication circuits where available, or utilizing radio and fiber hybrid solutions. The appropriate technology will be selected based on location, reliability, capacity, availability, and lifecycle cost, with construction of PNM-owned infrastructure used where it provides the most effective long-term solution.

Project No: **60001627** **Distribution Telecom 2027-2028**

Project Estimate Approach	The estimate was developed from the engineering and scoping completed under the exploratory project. It covers detailed design, material and equipment procurement, construction, installation, testing and commissioning, and the applicable project management and support costs. Estimates will be refined as individual communication paths, sites, and technology solutions are finalized.

Project No: **60001627** **Distribution Telecom 2027-2028**

Customer Benefit	Provides the communications infrastructure needed to support a more reliable and resilient electric system, including improved outage response, remote monitoring and control, feeder sectionalizing, and deployment of modern grid technologies. These improvements will help reduce outage impacts and support more efficient operation of PNM's system.

Project No: 60001627 Distribution Telecom 2027-2028

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **60001627** **Distribution Telecom 2027-2028**

General Services

Reliability & Resiliency

Installation of telecom allows for SCADA (Supervisory Control and Data Acquisition) capability in remote places leading to faults being isolated and minimized faster.

Safety & Security

Technology Advancements

Project No: 60001627 Distribution Telecom 2027-2028

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60001627** **Distribution Telecom 2027-2028**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	159,781	159,781	159,781	159,781	159,781	159,781
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	11,185	11,185	11,185	11,185	11,185	11,185
926: A&G Loads	-	5,992	5,992	5,992	5,992	5,992	5,992
928: AFUDC Debt	-	183	550	919	1,290	1,663	2,038
929: AFUDC Equity	-	248	744	1,244	1,746	2,250	2,757
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	177,388	178,252	179,121	179,993	180,871	181,753

Project No: **60001627** **Distribution Telecom 2027-2028**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	159,781	159,781	159,781	1,438,029
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	11,185	11,185	11,185	100,662
926: A&G Loads	5,992	5,992	5,992	53,926
928: AFUDC Debt	2,415	2,794	3,175	15,028
929: AFUDC Equity	3,267	3,780	4,295	20,331
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	182,640	183,531	184,427	1,627,976

Project No: 60001627 Distribution Telecom 2027-2028

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	1,438,029	159,781	159,781	159,781	1,917,372	585,426	585,426	585,426
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	100,662	11,185	11,185	11,185	134,216	40,980	40,980	40,980
926: A&G Loads	53,926	5,992	5,992	5,992	71,901	20,548	20,548	20,548
928: AFUDC Debt	15,028	3,558	3,942	4,329	26,858	5,102	6,444	7,792
929: AFUDC Equity	20,331	4,813	5,333	5,857	36,334	8,050	10,166	12,294
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	1,627,976	185,328	186,233	187,143	2,186,681	660,106	663,564	667,041

Project No: **60001627** **Distribution Telecom 2027-2028**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	585,426	585,426	585,426	585,426	585,426	585,426	7,186,206
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	40,980	40,980	40,980	40,980	40,980	40,980	503,034
926: A&G Loads	20,548	20,548	20,548	20,548	20,548	20,548	256,838
928: AFUDC Debt	9,149	9,527	9,869	10,179	9,371	8,720	103,011
929: AFUDC Equity	14,434	15,031	15,571	16,060	14,784	13,758	156,481
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(451,814)	(469,255)	(485,040)	(998,654)	(924,087)	(1,296,148)	(4,624,998)
825: Closing Cost of Removal	(32,979)	(34,210)	(35,318)	(72,629)	(67,161)	(94,179)	(336,475)
Project Net	185,744	168,047	152,037	(398,089)	(320,139)	(720,895)	3,244,097

Project No: 60001725 Sub-Transmission Recloser Install

Company: 001 Electric Services
Location: 600 Electric System

Project Information

Estimated Start Date 6/1/2025

Estimated Completion Date 12/31/2031

County %		
	Bernalillo	50%
	Santa Fe	25%
	Grant	25%

Description

This project consists of installing reclosers on existing sub-transmission lines for sectionalizing the transmission lines during system events to reduce customer impacts. The reclosers will provide coordinated protection of radial 46 and 69kV lines tapped off other transmission lines. Installation will include new poles and bypass switches.

Project No: 60001725 Sub-Transmission Recloser Install

Project Need Justification	Several sub-transmission lines were identified as having particularly high impacts to System Average Interruption Duration Index (SAIDI) and were evaluated by PNM Engineering for potential ways to reduce customer impacts during adverse system events as efficiently and effectively as possible. Sub transmission lines (69kV and less) can benefit from fault sectionalizing by utilizing sub-transmission class reclosers. These reclosers will limit the spread of outages by sectionalizing lines without the need of a switching station.

Project No: 60001725 Sub-Transmission Recloser Install

Project Alternatives

An alternative to sectionalize sub-transmission lines and reduce the number of customers affected by a particular line outage is to build new sectionalizing stations. Reclosers are much more cost effective than a full substation and require less land and less maintenance.

Project No: **60001725** **Sub-Transmission Recloser Install**

Project Estimate Approach	Project estimate was prepared using current pricing for poles and other equipment, a recloser quote, and estimates on construction time required.

Project No: **60001725** **Sub-Transmission Recloser Install**

Customer Benefit	Sectionalization on sub-transmission lines will limit the number of customers out under any particular line outage. The lines targeted under this project are some of the biggest contributors to SAIDI. This project should result in lower SAIDI minutes. Several of these lines are also located in high fire risk areas. Faster fault interruption through coordinated reclosers reduces the risk of igniting a wildfire.

Project No: **60001725** **Sub-Transmission Recloser Install**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **60001725** **Sub-Transmission Recloser Install**

General Services

Reliability & Resiliency

Sectionalization on sub-transmission lines will limit the number of customers out under any particular line outage. The lines targeted under this project are some of the biggest contributors to SAIDI. This project should result in lower SAIDI minutes.

Safety & Security

Several of the lines targeted for installation of a recloser are located in high fire risk areas. Faster fault interruption through coordinated reclosers reduces the risk of igniting a wildfire.

Technology Advancements

Project No: 60001725 Sub-Transmission Recloser Install

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	4,383	-	-	-	10,000	4,000	4,000	22,383
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	67,642	-	-	-	282,678	35,000	10,000	395,320
370: Outside Services	181,645	-	-	15,000	123,939	20,500	15,500	356,584
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	375	-	-	-	-	-	-	375
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	334	-	-	-	762	305	305	1,706
914: Pension and Benefits	800	-	-	-	1,861	744	744	4,150
915: Injuries and Damages	868	-	-	-	1,980	792	792	4,432
921: Stores Load	2,037	-	-	-	64,417	7,976	2,279	76,708
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	14,594	-	-	975	27,379	3,987	2,037	48,973
926: A&G Loads	11,906	-	-	780	21,664	3,094	1,534	38,978
928: AFUDC Debt	12,320	754	758	19	652	1,356	1,493	17,353
929: AFUDC Equity	8,909	804	808	20	695	1,445	1,591	14,273
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	(308,938)	-	-	-	(625,744)	(934,682)
825: Closing Cost of Removal	-	-	-	-	-	-	(46,552)	(46,552)
Project Net	305,813	1,558	(307,372)	16,795	536,026	79,199	(632,020)	-

Project No: **60001725** **Sub-Transmission Recloser Install**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	22,383	4,000	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	395,320	15,000	-	-	-	-	-
370: Outside Services	356,584	15,500	271,500	25,500	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	375	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,706	330	-	-	-	-	-
914: Pension and Benefits	4,150	760	-	-	-	-	-
915: Injuries and Damages	4,432	758	-	-	-	-	-
921: Stores Load	76,708	2,515	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	48,973	2,544	19,005	1,785	-	-	-
926: A&G Loads	38,978	1,294	10,181	956	-	-	-
928: AFUDC Debt	17,353	44	400	742	-	-	-
929: AFUDC Equity	14,273	60	541	1,004	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(934,682)	-	-	(348,406)	-	-	-
825: Closing Cost of Removal	(46,552)	-	-	(26,014)	-	-	-
Project Net	-	42,806	301,627	(344,432)	-	-	-

Project No: **60001725** **Sub-Transmission Recloser Install**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	26,383
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	410,320
370: Outside Services	-	-	-	669,084
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	375
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	2,036
914: Pension and Benefits	-	-	-	4,910
915: Injuries and Damages	-	-	-	5,191
921: Stores Load	-	-	-	79,223
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	72,307
926: A&G Loads	-	-	-	51,409
928: AFUDC Debt	-	-	-	18,539
929: AFUDC Equity	-	-	-	15,877
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(1,283,088)
825: Closing Cost of Removal	-	-	-	(72,566)
Project Net	-	-	-	-

Project No: 60001725 Sub-Transmission Recloser Install

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	26,383	-	-	-	26,383	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	410,320	-	-	-	410,320	-	-	-
370: Outside Services	669,084	-	-	-	669,084	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	375	-	-	-	375	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	2,036	-	-	-	2,036	-	-	-
914: Pension and Benefits	4,910	-	-	-	4,910	-	-	-
915: Injuries and Damages	5,191	-	-	-	5,191	-	-	-
921: Stores Load	79,223	-	-	-	79,223	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	72,307	-	-	-	72,307	-	-	-
926: A&G Loads	51,409	-	-	-	51,409	-	-	-
928: AFUDC Debt	18,539	-	-	-	18,539	-	-	-
929: AFUDC Equity	15,877	-	-	-	15,877	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,283,088)	-	-	-	(1,283,088)	-	-	-
825: Closing Cost of Removal	(72,566)	-	-	-	(72,566)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60001725** **Sub-Transmission Recloser Install**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	26,383
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	410,320
370: Outside Services	-	-	-	-	-	-	669,084
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	375
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	2,036
914: Pension and Benefits	-	-	-	-	-	-	4,910
915: Injuries and Damages	-	-	-	-	-	-	5,191
921: Stores Load	-	-	-	-	-	-	79,223
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	72,307
926: A&G Loads	-	-	-	-	-	-	51,409
928: AFUDC Debt	-	-	-	-	-	-	18,539
929: AFUDC Equity	-	-	-	-	-	-	15,877
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,283,088)
825: Closing Cost of Removal	-	-	-	-	-	-	(72,566)
Project Net	-	-	-	-	-	-	-

Project No: **60001726** **Distribution Telecom 2026-2027**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Total System 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2027

Description

Implement communications infrastructure improvements across PNM's electric system to support reliable, secure and higher-capacity communications. Work includes engineering, procurement and construction of fiber, radio, microwave and network infrastructure identified through telecom planning, including improvements supporting High Fire Areas, feeder rebuilds, Advanced Metering Infrastructure (AMI), expansion of dense wavelength division multiplexing (DWDM) capacity, conversion from SONET (synchronous optical networking) to MPLS (multiprotocol label switching), and microwave upgrades.

Project No: **60001726** **Distribution Telecom 2026-2027**

Project Need Justification

PNM's existing communications infrastructure requires expansion and modernization to support current and future electric system operational needs. PNM still uses radio frequency as the main source of communications from field devices to the Distribution Operations Center (DOC). In mountainous areas, terrain limits or prevents remote communication with field devices, requiring crews to travel to these locations to update or change settings. Capital investment is required to expand communications paths and install or upgrade equipment to improve system visibility, enable remote operation and sectionalizing, increase network capacity, and replace aging or obsolete communications technologies. These improvements will enhance operational efficiency and support PNM's ability to implement reliability initiatives and deploy and operate modern grid technologies.

Project No: **60001726** **Distribution Telecom 2026-2027**

Project Alternatives	Alternatives include continued use of existing communications infrastructure, leasing third-party communication circuits where available, or utilizing radio and fiber hybrid solutions. The appropriate technology will be selected based on location, reliability, capacity, availability, and lifecycle cost, with construction of PNM-owned infrastructure used where it provides the most effective long-term solution.

Project No: **60001726** **Distribution Telecom 2026-2027**

Project Estimate Approach	The estimate was developed from the engineering and scoping completed under the exploratory project. It covers detailed design, material and equipment procurement, construction, installation, testing and commissioning, and the applicable project management and support costs. Estimates will be refined as individual communication paths, sites, and technology solutions are finalized.

Project No: **60001726** **Distribution Telecom 2026-2027**

Customer Benefit	Provides the communications infrastructure needed to support a more reliable and resilient electric system, including improved outage response, remote monitoring and control, feeder sectionalizing, and deployment of modern grid technologies. These improvements will help reduce outage impacts and support more efficient operation of PNM's system.

Project No: 60001726 Distribution Telecom 2026-2027

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **60001726** **Distribution Telecom 2026-2027**

General Services

Reliability & Resiliency

Installation of telecom allows for SCADA (Supervisory Control and Data Acquisition) capability in remote places leading to faults being isolated and minimized faster.

Safety & Security

Technology Advancements

Project No: 60001726 Distribution Telecom 2026-2027

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	403,880	403,880	403,880	403,880	403,880	403,880	2,423,282
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	26,252	26,252	26,252	26,252	26,252	26,252	157,513
926: A&G Loads	-	21,002	21,002	21,002	21,002	21,002	21,002	126,011
928: AFUDC Debt	-	517	1,555	2,598	3,646	4,699	5,758	18,773
929: AFUDC Equity	-	551	1,657	2,768	3,885	5,008	6,137	20,007
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	452,203	454,346	456,500	458,665	460,842	463,029	2,745,586

Project No: **60001726** **Distribution Telecom 2026-2027**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	2,423,282	537,500	537,500	537,500	537,500	537,500	537,500
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	157,513	37,625	37,625	37,625	37,625	37,625	37,625
926: A&G Loads	126,011	20,156	20,156	20,156	20,156	20,156	20,156
928: AFUDC Debt	18,773	6,304	7,569	8,840	10,118	11,403	12,695
929: AFUDC Equity	20,007	8,528	10,239	11,959	13,688	15,427	17,174
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	2,745,586	610,113	613,089	616,081	619,088	622,111	625,150

Project No: **60001726** **Distribution Telecom 2026-2027**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	537,500	537,500	537,500	7,260,782
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	-
922: Minor Material Load	-	-	-	-
925: E&S Loads	37,625	37,625	37,625	496,138
926: A&G Loads	20,156	20,156	20,156	307,417
928: AFUDC Debt	13,993	15,298	16,610	121,603
929: AFUDC Equity	18,930	20,696	22,471	159,120
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	628,205	631,276	634,362	8,345,060

Project No: 60001726 Distribution Telecom 2026-2027

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	7,260,782	537,500	537,500	537,500	8,873,282	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	496,138	37,625	37,625	37,625	609,013	-	-	-
926: A&G Loads	307,417	20,156	20,156	20,156	367,886	-	-	-
928: AFUDC Debt	121,603	17,929	19,255	20,588	179,375	-	-	-
929: AFUDC Equity	159,120	24,255	26,049	27,852	237,276	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(9,577,318)	(9,577,318)	-	-	-
825: Closing Cost of Removal	-	-	-	(689,513)	(689,513)	-	-	-
Project Net	8,345,060	637,465	640,585	(9,623,111)	0	-	-	-

Project No: **60001726** **Distribution Telecom 2026-2027**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	8,873,282
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	609,013
926: A&G Loads	-	-	-	-	-	-	367,886
928: AFUDC Debt	-	-	-	-	-	-	179,375
929: AFUDC Equity	-	-	-	-	-	-	237,276
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(9,577,318)
825: Closing Cost of Removal	-	-	-	-	-	-	(689,513)
Project Net	-	-	-	-	-	-	0

Project No: **60001925** **Rodeo Substation Rebuild CO1**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Santa Fe 100%

Estimated Start Date 7/1/2025

Estimated Completion Date 2/28/2027

Description

On July 10, 2024, there was a fault within the Rodeo substation switchgear that started a fire damaging the switchgear beyond repair. Dissolved gas analysis (DGA) and Sweep Frequency Response Analyzer (SFRA) testing confirmed the Rodeo 115/12.47kV transformer was also damaged beyond repair due to the switchgear fault. The purpose of this project is to rebuild the Rodeo Substation.

This project consists of the distribution portion of this work, including installation of the new 115/12.47kV transformer and new 15kV switchgear.

Project No: **60001925** **Rodeo Substation Rebuild CO1**

Project Need Justification

The existing Rodeo transformer is currently offline. In it's place, PNM is serving load using a mobile substation. This is not a permanent solution as that mobile substation might be needed elsewhere in PNM's system. The rodeo substation is critical for serving retail load in the area. Without a permanent substation, PNM will not be able to serve all of the load in the area and there will not be enough adequate contingency support for other substations in the area.

Project No: **60001925 Rodeo Substation Rebuild CO1**

Project Alternatives

There are three options that were analyzed for the replacement of damaged Rodeo substation:

Option one - Rebuilding the unit substation in the existing bay location of the Zia switchyard. However, this is not the best option due to three unit substations, Rodeo, Beckner and State Pen all being fed from the same RS line source. This means that an interruption on the RS line drops all substations and load within the southwest area of Santa Fe, causing a large increase in System Average Interruption Duration Index (SAIDI) numbers.

Option two - Building a new unit substation in the Zia Ring 2 bus. This option is preferred. Relocating the new substation and the addition of a 115kV breaker allows for sectionalizing which increases reliability and lowers the risk of increased (SAIDI) numbers.

Option three - The “do nothing” approach. This is not acceptable, because the existing system cannot support the additional load, causing several voltage issues within the area. Working with Distribution Planning, Beckner substation is currently experiencing voltage issues during this first contingency (N-1). In the case of a second contingency (N-2) Beckner will not be able to support the load from Zafarano, Miguel Lujan or South Pacheco 1.

Project No: 60001925 Rodeo Substation Rebuild CO1

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **60001925 Rodeo Substation Rebuild CO1**

Customer Benefit

This project involves the replacement of critical substation equipment, including switchgear, to restore the station to full operational capability and improve long-term electric system reliability. The investment addresses failed infrastructure now out of services. The additional capacity provided by the replacement will result in reduced stress on other infrastructure in the area, reducing the risk of additional equipment failures that could result in more prolonged outages, additional emergency repairs or mobile substation mobilizations, and increased operational costs.

Restoring the substation to service enhances system resiliency by re-establishing operational flexibility, system redundancy, and the ability to safely isolate faults and manage system disturbances. The new equipment will improve protection of critical assets, reduce outage frequency and duration, and support faster service restoration during unplanned events.

The project delivers direct customer benefits through improved reliability, reduced risk of service interruptions, and avoidance of future costs associated with additional emergency equipment replacement and outage response.

Project No: **60001925** **Rodeo Substation Rebuild CO1**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **60001925** **Rodeo Substation Rebuild CO1**

General Services

Reliability & Resiliency

Restoring the substation and installing modern switchgear improves operational flexibility, reduces the likelihood and duration of customer outages, and supports more efficient service restoration during unplanned events. The project provides long-term value to customers by improving reliability, protecting critical grid assets, and avoiding higher costs associated with emergency repairs and service interruptions.

Safety & Security

Technology Advancements

Project No: 60001925 Rodeo Substation Rebuild CO1

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	158,241	2,356	4,713	4,713	9,426	9,426	7,069	195,945
120: Overtime-General	21,316	-	-	-	-	-	-	21,316
350: Material Issues-Major	2,397,529	160,241	518,428	-	212,084	-	-	3,288,282
370: Outside Services	561,139	48,258	226,223	2,018,638	2,015,741	2,015,741	1,202,337	8,088,077
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	3,513	-	-	-	-	-	-	3,513
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	14,064	180	359	359	718	718	539	16,937
914: Pension and Benefits	32,152	439	877	877	1,754	1,754	1,316	39,169
915: Injuries and Damages	36,190	467	933	933	1,866	1,866	1,400	43,656
921: Stores Load	54,799	36,516	118,139	-	48,330	-	-	257,784
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	277,955	13,776	48,850	131,659	145,703	131,918	78,823	828,684
926: A&G Loads	120,248	10,965	38,967	105,214	116,337	105,309	62,889	559,928
928: AFUDC Debt	187,502	10,171	11,635	15,387	20,987	26,621	30,909	303,212
929: AFUDC Equity	131,987	10,840	12,400	16,399	22,367	28,371	32,942	255,305
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	3,996,636	294,208	981,523	2,294,179	2,595,314	2,321,724	1,418,224	13,901,807

Project No: **60001925** **Rodeo Substation Rebuild CO1**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	195,945	-	-	-	-	-	-
120: Overtime-General	21,316	-	-	-	-	-	-
350: Material Issues-Major	3,288,282	-	-	-	-	-	-
370: Outside Services	8,088,077	12,972	7,412	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	3,513	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	16,937	-	-	-	-	-	-
914: Pension and Benefits	39,169	-	-	-	-	-	-
915: Injuries and Damages	43,656	-	-	-	-	-	-
921: Stores Load	257,784	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	828,684	908	519	-	-	-	-
926: A&G Loads	559,928	486	278	-	-	-	-
928: AFUDC Debt	303,212	29,443	29,621	-	-	-	-
929: AFUDC Equity	255,305	39,832	40,072	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	(13,385,140)	-	-	-	-
825: Closing Cost of Removal	-	-	(678,210)	-	-	-	-
Project Net	13,901,807	83,642	(13,985,449)	-	-	-	-

Project No: **60001925** **Rodeo Substation Rebuild CO1**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	195,945
120: Overtime-General	-	-	-	21,316
350: Material Issues-Major	-	-	-	3,288,282
370: Outside Services	-	-	-	8,108,461
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	3,513
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	16,937
914: Pension and Benefits	-	-	-	39,169
915: Injuries and Damages	-	-	-	43,656
921: Stores Load	-	-	-	257,784
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	830,110
926: A&G Loads	-	-	-	560,693
928: AFUDC Debt	-	-	-	362,276
929: AFUDC Equity	-	-	-	335,209
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(13,385,140)
825: Closing Cost of Removal	-	-	-	(678,210)
Project Net	-	-	-	0

Project No: 60001925 Rodeo Substation Rebuild CO1

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	195,945	-	-	-	195,945	-	-	-
120: Overtime-General	21,316	-	-	-	21,316	-	-	-
350: Material Issues-Major	3,288,282	-	-	-	3,288,282	-	-	-
370: Outside Services	8,108,461	-	-	-	8,108,461	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	3,513	-	-	-	3,513	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	16,937	-	-	-	16,937	-	-	-
914: Pension and Benefits	39,169	-	-	-	39,169	-	-	-
915: Injuries and Damages	43,656	-	-	-	43,656	-	-	-
921: Stores Load	257,784	-	-	-	257,784	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	830,110	-	-	-	830,110	-	-	-
926: A&G Loads	560,693	-	-	-	560,693	-	-	-
928: AFUDC Debt	362,276	-	-	-	362,276	-	-	-
929: AFUDC Equity	335,209	-	-	-	335,209	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(13,385,140)	-	-	-	(13,385,140)	-	-	-
825: Closing Cost of Removal	(678,210)	-	-	-	(678,210)	-	-	-
Project Net	0	-	-	-	0	-	-	-

Project No: **60001925** **Rodeo Substation Rebuild CO1**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	195,945
120: Overtime-General	-	-	-	-	-	-	21,316
350: Material Issues-Major	-	-	-	-	-	-	3,288,282
370: Outside Services	-	-	-	-	-	-	8,108,461
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	3,513
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	16,937
914: Pension and Benefits	-	-	-	-	-	-	39,169
915: Injuries and Damages	-	-	-	-	-	-	43,656
921: Stores Load	-	-	-	-	-	-	257,784
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	830,110
926: A&G Loads	-	-	-	-	-	-	560,693
928: AFUDC Debt	-	-	-	-	-	-	362,276
929: AFUDC Equity	-	-	-	-	-	-	335,209
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(13,385,140)
825: Closing Cost of Removal	-	-	-	-	-	-	(678,210)
Project Net	-	-	-	-	-	-	0

Project No: **60002046** **Distr Comm Improvement 2026-2030**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Total System 100%

Estimated Start Date 3/1/2026

Estimated Completion Date 12/31/2031

Description

This project is part of a continuing effort to upgrade PNM's telecommunications systems to support increased monitoring of the distribution system. The project will increase the number of supervisory control and data acquisition (SCADA) collection points throughout metro Albuquerque, which will reduce the number of substations per collection point (SCADA repeater). SCADA is the control system architecture comprised of computers, networked data communications and graphical user interfaces for the high level supervision, monitoring, and control of remote electrical stations. A SCADA repeater is necessary in some of these areas to ensure the signal path's integrity from beginning to end.

Project No: **60002046** **Distr Comm Improvement 2026-2030**

Project Need Justification

These upgrades will reduce the impact of SCADA outages, and reduce the number of outages, by allowing communications personnel to respond to site issues before an outage occurs. The project will also provide monitoring of existing SCADA sites.

Project No: **60002046** **Distr Comm Improvement 2026-2030**

Project Alternatives

The only alternative is to do nothing. This option would continue the status quo of risks of outages to the SCADA system, which cause a loss of monitoring and control over the distribution system and, in some cases, the loss of monitoring of the transmission system.

Project No: **60002046** **Distr Comm Improvement 2026-2030**

Project Estimate Approach	Project costs were determined by evaluating distribution SCADA and end of life components. Each site's components were evaluated for redundant paths and equipment. In addition, PNM Engineering labor plus an external review engineer will be provided for each site, and internal PNM labor will be utilized to construct, install, commission new materials and remove the obsolete materials. This portion assumed 120 man-hours per site. Project Management was contracted to order/secure materials.

Project No: **60002046** **Distr Comm Improvement 2026-2030**

Customer Benefit

Customers will see a reduction in the duration of outages as PNM will be better able to monitor the load on its distribution system and make adjustments as needed to avoid equipment failures and other issues that could result outages.

Project No: **60002046 Distr Comm Improvement 2026-2030**

Primary Value Driver: Reliability & Resiliency

Compliance

Customer Delivery: PNM will be better able to monitor the load on its distribution system and make adjustments based on estimated growth across the distribution system and to identify potential trouble spots on the system in advance. This effort will also increase the reliability of the distribution system and will reduce customer outages.

Energy Transition

Project No: **60002046** **Distr Comm Improvement 2026-2030**

General Services

Reliability & Resiliency

PNM will be better able to monitor the load on its distribution system and make adjustments as needed to avoid equipment failures and other issues that could result in outages. The additional visibility into system conditions should also reduce the amount of time needed to identify the cause of and address system interruptions.

Safety & Security

Technology Advancements

Project No: 60002046 Distr Comm Improvement 2026-2030

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	809	809	809	809	809	809	4,854
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	2,427	2,427	2,427	2,427	2,427	2,427	14,562
370: Outside Services	-	4,854	4,854	4,854	4,854	4,854	4,854	29,124
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	62	62	62	62	62	62	370
914: Pension and Benefits	-	151	151	151	151	151	151	903
915: Injuries and Damages	-	160	160	160	160	160	160	961
921: Stores Load	-	553	553	553	553	553	553	3,318
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	550	550	550	550	550	550	3,300
926: A&G Loads	-	421	421	421	421	421	421	2,524
928: AFUDC Debt	-	11	34	58	81	104	127	416
929: AFUDC Equity	-	12	37	61	86	111	136	443
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(56,581)	(56,581)
825: Closing Cost of Removal	-	-	-	-	-	-	(4,194)	(4,194)
Project Net	-	10,010	10,057	10,105	10,153	10,201	(50,526)	0

Project No: **60002046** **Distr Comm Improvement 2026-2030**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	4,854	943	943	943	943	943	943
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	14,562	2,828	2,828	2,828	2,828	2,828	2,828
370: Outside Services	29,124	5,656	5,656	5,656	5,656	5,656	5,656
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	370	78	78	78	78	78	78
914: Pension and Benefits	903	179	179	179	179	179	179
915: Injuries and Damages	961	179	179	179	179	179	179
921: Stores Load	3,318	474	474	474	474	474	474
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	3,300	690	690	690	690	690	690
926: A&G Loads	2,524	354	354	354	354	354	354
928: AFUDC Debt	416	12	35	59	83	107	131
929: AFUDC Equity	443	16	48	80	112	145	177
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(56,581)	-	-	-	-	-	-
825: Closing Cost of Removal	(4,194)	-	-	-	-	-	-
Project Net	0	11,409	11,464	11,520	11,576	11,633	11,689

Project No: **60002046** **Distr Comm Improvement 2026-2030**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	943	943	943	13,341
120: Overtime-General	-	-	-	-
350: Material Issues-Major	2,828	2,828	2,828	40,014
370: Outside Services	5,656	5,656	5,656	80,028
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	78	78	78	1,071
914: Pension and Benefits	179	179	179	2,515
915: Injuries and Damages	179	179	179	2,570
921: Stores Load	474	474	474	7,586
922: Minor Material Load	-	-	-	-
925: E&S Loads	690	690	690	9,514
926: A&G Loads	354	354	354	5,706
928: AFUDC Debt	155	180	204	1,382
929: AFUDC Equity	210	243	276	1,750
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(56,581)
825: Closing Cost of Removal	-	-	-	(4,194)
Project Net	11,746	11,804	11,861	104,702

Project No: 60002046 Distr Comm Improvement 2026-2030

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	13,341	943	943	943	16,170	924	924	924
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	40,014	2,828	2,828	2,828	48,498	2,772	2,772	2,772
370: Outside Services	80,028	5,656	5,656	5,656	96,996	5,545	5,545	5,545
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,071	78	78	78	1,305	76	76	76
914: Pension and Benefits	2,515	179	179	179	3,052	175	175	175
915: Injuries and Damages	2,570	179	179	179	3,107	175	175	175
921: Stores Load	7,586	474	474	474	9,009	465	465	465
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	9,514	690	690	690	11,585	677	677	677
926: A&G Loads	5,706	354	354	354	6,766	324	324	324
928: AFUDC Debt	1,382	229	254	278	2,143	11	34	57
929: AFUDC Equity	1,750	310	343	377	2,780	18	54	90
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(56,581)	-	-	(131,075)	(187,656)	-	-	-
825: Closing Cost of Removal	(4,194)	-	-	(9,560)	(13,754)	-	-	-
Project Net	104,702	11,919	11,977	(128,598)	0	11,163	11,221	11,280

Project No: **60002046** **Distr Comm Improvement 2026-2030**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	924	924	924	924	924	924	24,486
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	2,772	2,772	2,772	2,772	2,772	2,772	73,446
370: Outside Services	5,545	5,545	5,545	5,545	5,545	5,545	146,901
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	76	76	76	76	76	76	1,991
914: Pension and Benefits	175	175	175	175	175	175	4,631
915: Injuries and Damages	175	175	175	175	175	175	4,683
921: Stores Load	465	465	465	465	465	465	13,192
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	677	677	677	677	677	677	17,676
926: A&G Loads	324	324	324	324	324	324	9,685
928: AFUDC Debt	80	103	126	149	173	196	3,071
929: AFUDC Equity	126	162	199	235	272	309	4,244
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(187,656)
825: Closing Cost of Removal	-	-	-	-	-	-	(13,754)
Project Net	11,339	11,399	11,458	11,518	11,579	11,639	102,597

Project No: **60002124** **Ideal Cement Sub Decommission**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Bernalillo 100%

Estimated Start Date 7/1/2024

Estimated Completion Date 9/30/2026

Description

This project involves the removal of the existing 46kV Ideal Substation that had provided power to the GCC (Grupo Cementos de Chihuahua) Cement plant located at 11783 NM-337, Tijeras, NM 87059. The Ideal substation has reached its end of life and was replaced by the Manzanita substation located just to the east of the GCC Plant. Removal of the IDEAL Substation will consist of: three (3) medium power transformers, Unit A, Unit B and Unit C, oil disposal associated with transformers, all switchgear equipment and wiring to other equipment, all overhead transmission conductors, strain bus, insulators, lattice structure and poles, all required underground conductors, all fencing, concrete foundations and switchgear pads.

Project No: 60002124 Ideal Cement Sub Decommission

Project Need Justification

The existing ideal equipment is now unused. This includes oil-containing equipment like transformers. Removal of this equipment eliminates ongoing safety, environmental, and operational risks associated with aging assets and reduces the potential for oil leaks, contamination, or deterioration of unused infrastructure. The project also minimizes future maintenance and liability costs while ensuring the site is maintained in a safe and environmentally responsible condition. In addition, as this substation is no longer in use, GCC, who owns the land that the station sits on, has asked for the equipment to be removed and the land returned for other uses.

Project No: **60002124** **Ideal Cement Sub Decommission**

Project Alternatives	No alternatives can be considered because GGC owns the land that Ideal station is sitting on and has asked for all equipment to be removed now that the plant is being served by the new Manzanita substation.

Project No: **60002124** **Ideal Cement Sub Decommission**

Project Estimate Approach	The project estimate was created using quotes from contractors for the removal and disposal of this same infrastructure.

Project No: **60002124** **Ideal Cement Sub Decommission**

Customer Benefit	The project benefits customers by reducing safety and environmental risks associated with retired oil-filled equipment, lowering future maintenance obligations, and responsibly removing obsolete assets that no longer provide value to the electric system. This supports the safe, reliable, and cost-effective operation of PNM's infrastructure.

Project No: **60002124** **Ideal Cement Sub Decommission**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

Project No: **60002124** **Ideal Cement Sub Decommission**

General Services

Reliability & Resiliency

Safety & Security

The project benefits customers by reducing safety and environmental risks associated with retired oil-filled equipment, lowering future maintenance obligations, and responsibly removing obsolete assets that no longer provide value to the electric system. This supports the safe, reliable, and cost-effective operation of PNM's infrastructure.

Technology Advancements

Project No: 60002124 Ideal Cement Sub Decommission

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	10,868	-	-	-	-	-	-	10,868
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	120,621	46,128	46,128	-	-	-	-	212,878
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	771	-	-	-	-	-	-	771
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	835	-	-	-	-	-	-	835
914: Pension and Benefits	1,899	-	-	-	-	-	-	1,899
915: Injuries and Damages	2,167	-	-	-	-	-	-	2,167
921: Stores Load	330	-	-	-	-	-	-	330
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	9,140	2,998	2,998	-	-	-	-	15,137
926: A&G Loads	7,521	2,399	2,399	-	-	-	-	12,319
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	(257,204)	-	-	-	(257,204)
Project Net	154,153	51,525	51,525	(257,204)	-	-	-	-

Project No: **60002124** **Ideal Cement Sub Decommission**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	10,868	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	212,878	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	771	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	835	-	-	-	-	-	-
914: Pension and Benefits	1,899	-	-	-	-	-	-
915: Injuries and Damages	2,167	-	-	-	-	-	-
921: Stores Load	330	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	15,137	-	-	-	-	-	-
926: A&G Loads	12,319	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	(257,204)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **60002124** **Ideal Cement Sub Decommission**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	10,868
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	-
370: Outside Services	-	-	-	212,878
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	771
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	835
914: Pension and Benefits	-	-	-	1,899
915: Injuries and Damages	-	-	-	2,167
921: Stores Load	-	-	-	330
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	15,137
926: A&G Loads	-	-	-	12,319
928: AFUDC Debt	-	-	-	-
929: AFUDC Equity	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	(257,204)
Project Net	-	-	-	-

Project No: 60002124 Ideal Cement Sub Decommission

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	10,868	-	-	-	10,868	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	212,878	-	-	-	212,878	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	771	-	-	-	771	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	835	-	-	-	835	-	-	-
914: Pension and Benefits	1,899	-	-	-	1,899	-	-	-
915: Injuries and Damages	2,167	-	-	-	2,167	-	-	-
921: Stores Load	330	-	-	-	330	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	15,137	-	-	-	15,137	-	-	-
926: A&G Loads	12,319	-	-	-	12,319	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	(257,204)	-	-	-	(257,204)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60002124** **Ideal Cement Sub Decommission**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	10,868
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	212,878
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	771
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	835
914: Pension and Benefits	-	-	-	-	-	-	1,899
915: Injuries and Damages	-	-	-	-	-	-	2,167
921: Stores Load	-	-	-	-	-	-	330
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	15,137
926: A&G Loads	-	-	-	-	-	-	12,319
928: AFUDC Debt	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	(257,204)
Project Net	-	-	-	-	-	-	-

Project No: **60002325** **Project Oppidan**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2026

Description

This project includes the distribution feeder facilities required to serve Project Oppidan, a new 3.145MW load in West Albuquerque from existing feeder Central 13. The project includes upgrading ~4.7 miles (24,000 feet) of three phase 4/0 ACSR on Lost Horizon 11, installing ~0.3 (1,500 feet) miles of three phase 750 Aluminum underground cable on Central 13, installing 2 new SCADA switches, transferring Underground loops from Phase A to Phase B, installing a 1200 kVAR switch capacitor bank, and a vista switchgear.

Project No: **60002325** **Project Oppidan**

Project Need Justification	Currently, PNM does not have facilities that can support the 3.145MW load required by the customer built out to the site. New distribution feeders and associated reactive devices are needed to ensure safe and reliable power for this facility. This load was required by January 2026.

Project No: **60002325** **Project Oppidan**

Project Alternatives

The "do nothing" approach is not acceptable as PNM has an obligation to serve. During the detailed planning study, planning engineers evaluate multiple alternatives to determine the most effective, reliable, and cost-efficient solution. Detailed studies compare different system configurations, operating strategies, and infrastructure investments to understand how each option performs under normal and contingency conditions. Options evaluated include construction of a new substation at the customer site. However, this solution was more costly and the amount of capacity provided is larger than it needs to be for this phase of development from the customer.

Project No: **60002325** **Project Oppidan**

Project Estimate Approach	The project estimate was completed using standard PNM unit costs for standard distribution facilities.

Project No: **60002325** **Project Oppidan**

Customer Benefit	This project is critical to serve this new customer with safe and reliable power. The project benefits all customers by supporting economic development and increasing revenue from a significant new customer, which helps spread system costs across a larger customer base.

Project No: 60002325 Project Oppidan

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	This project is critical to serve this new customer with safe and reliable power. The project benefits all customers by supporting economic development and increasing revenue from a significant new customer, which helps spread system costs across a larger customer base.
Energy Transition	

Project No: **60002325** **Project Oppidan**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 60002325 Project Oppidan

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	16,674	-	-	-	-	-	-	16,674
120: Overtime-General	2,262	-	-	-	-	-	-	2,262
350: Material Issues-Major	958,993	-	-	-	-	-	-	958,993
370: Outside Services	1,148,980	-	-	-	-	-	-	1,148,980
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	5,772	-	-	-	-	-	-	5,772
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,462	-	-	-	-	-	-	1,462
914: Pension and Benefits	3,235	-	-	-	-	-	-	3,235
915: Injuries and Damages	3,790	-	-	-	-	-	-	3,790
921: Stores Load	13,506	-	-	-	-	-	-	13,506
922: Minor Material Load	22,779	-	-	-	-	-	-	22,779
925: E&S Loads	119,839	-	-	-	-	-	-	119,839
926: A&G Loads	112,520	-	-	-	-	-	-	112,520
928: AFUDC Debt	54,889	3,230	-	-	-	-	-	58,119
929: AFUDC Equity	40,989	3,442	-	-	-	-	-	44,432
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,076,711)	(1,320,885)	-	-	-	-	-	(2,397,596)
825: Closing Cost of Removal	-	(114,765)	-	-	-	-	-	(114,765)
Project Net	1,428,977	(1,428,977)	-	-	-	-	-	(0)

Project No: **60002325** **Project Oppidan**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	16,674	-	-	-	-	-	-
120: Overtime-General	2,262	-	-	-	-	-	-
350: Material Issues-Major	958,993	-	-	-	-	-	-
370: Outside Services	1,148,980	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	5,772	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,462	-	-	-	-	-	-
914: Pension and Benefits	3,235	-	-	-	-	-	-
915: Injuries and Damages	3,790	-	-	-	-	-	-
921: Stores Load	13,506	-	-	-	-	-	-
922: Minor Material Load	22,779	-	-	-	-	-	-
925: E&S Loads	119,839	-	-	-	-	-	-
926: A&G Loads	112,520	-	-	-	-	-	-
928: AFUDC Debt	58,119	-	-	-	-	-	-
929: AFUDC Equity	44,432	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(2,397,596)	-	-	-	-	-	-
825: Closing Cost of Removal	(114,765)	-	-	-	-	-	-
Project Net	(0)	-	-	-	-	-	-

Project No: **60002325** **Project Oppidan**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	16,674
120: Overtime-General	-	-	-	2,262
350: Material Issues-Major	-	-	-	958,993
370: Outside Services	-	-	-	1,148,980
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	5,772
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,462
914: Pension and Benefits	-	-	-	3,235
915: Injuries and Damages	-	-	-	3,790
921: Stores Load	-	-	-	13,506
922: Minor Material Load	-	-	-	22,779
925: E&S Loads	-	-	-	119,839
926: A&G Loads	-	-	-	112,520
928: AFUDC Debt	-	-	-	58,119
929: AFUDC Equity	-	-	-	44,432
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(2,397,596)
825: Closing Cost of Removal	-	-	-	(114,765)
Project Net	-	-	-	(0)

Project No: 60002325 Project Oppidan

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	16,674	-	-	-	16,674	-	-	-
120: Overtime-General	2,262	-	-	-	2,262	-	-	-
350: Material Issues-Major	958,993	-	-	-	958,993	-	-	-
370: Outside Services	1,148,980	-	-	-	1,148,980	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	5,772	-	-	-	5,772	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,462	-	-	-	1,462	-	-	-
914: Pension and Benefits	3,235	-	-	-	3,235	-	-	-
915: Injuries and Damages	3,790	-	-	-	3,790	-	-	-
921: Stores Load	13,506	-	-	-	13,506	-	-	-
922: Minor Material Load	22,779	-	-	-	22,779	-	-	-
925: E&S Loads	119,839	-	-	-	119,839	-	-	-
926: A&G Loads	112,520	-	-	-	112,520	-	-	-
928: AFUDC Debt	58,119	-	-	-	58,119	-	-	-
929: AFUDC Equity	44,432	-	-	-	44,432	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(2,397,596)	-	-	-	(2,397,596)	-	-	-
825: Closing Cost of Removal	(114,765)	-	-	-	(114,765)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **60002325** **Project Oppidan**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	16,674
120: Overtime-General	-	-	-	-	-	-	2,262
350: Material Issues-Major	-	-	-	-	-	-	958,993
370: Outside Services	-	-	-	-	-	-	1,148,980
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	5,772
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,462
914: Pension and Benefits	-	-	-	-	-	-	3,235
915: Injuries and Damages	-	-	-	-	-	-	3,790
921: Stores Load	-	-	-	-	-	-	13,506
922: Minor Material Load	-	-	-	-	-	-	22,779
925: E&S Loads	-	-	-	-	-	-	119,839
926: A&G Loads	-	-	-	-	-	-	112,520
928: AFUDC Debt	-	-	-	-	-	-	58,119
929: AFUDC Equity	-	-	-	-	-	-	44,432
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,397,596)
825: Closing Cost of Removal	-	-	-	-	-	-	(114,765)
Project Net	-	-	-	-	-	-	(0)

Project No: **60002328** **Tramway feeders**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Bernalillo 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

This project will install four new feeder getaways with the installation of a new unit transformer at Tramway Substation and the removal of two existing feeder getaways from the existing unit transformer.

Project No: **60002328** **Tramway feeders**

Project Need Justification

This project is needed because the existing unit transformer exceeds the Distribution Planning requirement for peak loading, which is not to exceed 80% of the transformer rating. The transformer is currently loaded at 98.9% of its normal rating. With the installation of a new unit transformer, PNM will remove two of the feeders from the existing unit transformer and transfer them to the new unit transformer and feeder getaways. This will significantly reduce loading for the existing unit transformer. This project will provide additional capacity to serve growth in this area and allow both unit transformers to serve as backup feeders to two different substations if those substations experience an outage.

Project No: **60002328** **Tramway feeders**

Project Alternatives	The alternative is to not build the substation and feeders. That is not viable because without additional capacity, the existing system in the area will experience overloads and potential rolling outages since this project ultimately affects three substations.

Project No: **60002328** **Tramway feeders**

Project Estimate Approach	Equipment and installation costs were estimated using experience from previous projects that were similar in nature.

Project No: **60002328** **Tramway feeders**

Customer Benefit	Increased reliability and capacity in the area for new customers and existing customers, and allows for more electrification including photovoltaic (PV) solar and electric vehicles.

Project No:	**60002328 Tramway feeders**
Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced and added. It also allows for load growth in the area.
Energy Transition	

Project No: **60002328** **Tramway feeders**

General Services

Reliability & Resiliency

Installation of new feeders allows for more capacity and feeder ties to help load transfers and backup during unforeseen outages.

Safety & Security

Technology Advancements

Project No: 60002328 Tramway feeders

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60002328** **Tramway feeders**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	35,000	35,000	35,000	35,000	35,000	35,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	60,000	60,000	60,000	60,000	60,000	60,000
370: Outside Services	-	99,000	99,000	99,000	99,000	99,000	99,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	4,167	4,167	4,167	4,167	4,167	4,167
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	2,891	2,891	2,891	2,891	2,891	2,891
914: Pension and Benefits	-	6,647	6,647	6,647	6,647	6,647	6,647
915: Injuries and Damages	-	6,636	6,636	6,636	6,636	6,636	6,636
921: Stores Load	-	10,061	10,061	10,061	10,061	10,061	10,061
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	15,004	15,004	15,004	15,004	15,004	15,004
926: A&G Loads	-	7,431	7,431	7,431	7,431	7,431	7,431
928: AFUDC Debt	-	255	768	1,282	1,800	2,320	2,843
929: AFUDC Equity	-	346	1,038	1,735	2,435	3,139	3,846
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	247,437	248,642	249,854	251,071	252,295	253,526

Project No: **60002328** **Tramway feeders**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	35,000	35,000	35,000	315,000
120: Overtime-General	-	-	-	-
350: Material Issues-Major	60,000	60,000	60,000	540,000
370: Outside Services	99,000	99,000	99,000	891,000
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	4,167	4,167	4,167	37,503
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	2,891	2,891	2,891	26,019
914: Pension and Benefits	6,647	6,647	6,647	59,819
915: Injuries and Damages	6,636	6,636	6,636	59,724
921: Stores Load	10,061	10,061	10,061	90,547
922: Minor Material Load	-	-	-	-
925: E&S Loads	15,004	15,004	15,004	135,035
926: A&G Loads	7,431	7,431	7,431	66,881
928: AFUDC Debt	3,369	3,897	4,428	20,963
929: AFUDC Equity	4,557	5,272	5,991	28,359
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	254,763	256,006	257,256	2,270,850

Project No: 60002328 Tramway feeders

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	315,000	35,000	35,000	35,000	420,000	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	540,000	60,000	60,000	60,000	720,000	-	-	-
370: Outside Services	891,000	99,000	99,000	99,000	1,188,000	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	37,503	4,167	4,167	4,167	50,004	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	26,019	2,891	2,891	2,891	34,692	-	-	-
914: Pension and Benefits	59,819	6,647	6,647	6,647	79,758	-	-	-
915: Injuries and Damages	59,724	6,636	6,636	6,636	79,632	-	-	-
921: Stores Load	90,547	10,061	10,061	10,061	120,730	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	135,035	15,004	15,004	15,004	180,046	-	-	-
926: A&G Loads	66,881	7,431	7,431	7,431	89,175	-	-	-
928: AFUDC Debt	20,963	4,962	5,499	6,039	37,463	-	-	-
929: AFUDC Equity	28,359	6,713	7,440	8,170	50,682	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(2,842,839)	(2,842,839)	-	-	-
825: Closing Cost of Removal	-	-	-	(207,343)	(207,343)	-	-	-
Project Net	2,270,850	258,512	259,775	(2,789,137)	-	-	-	-

Project No: **60002328** **Tramway feeders**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	420,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	720,000
370: Outside Services	-	-	-	-	-	-	1,188,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	50,004
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	34,692
914: Pension and Benefits	-	-	-	-	-	-	79,758
915: Injuries and Damages	-	-	-	-	-	-	79,632
921: Stores Load	-	-	-	-	-	-	120,730
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	180,046
926: A&G Loads	-	-	-	-	-	-	89,175
928: AFUDC Debt	-	-	-	-	-	-	37,463
929: AFUDC Equity	-	-	-	-	-	-	50,682
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(2,842,839)
825: Closing Cost of Removal	-	-	-	-	-	-	(207,343)
Project Net	-	-	-	-	-	-	-

Project No: **60002424** **St Cecilia 11 Re-conductor**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2028

Description

The purpose of this project is to increase the rating on two sections of the St Cecilia 11 feeder. The first section between switch SW4771V and pole D29A271 will be upgraded from 397 All-Aluminum Conductor (AAC) at 430 amps to 397 AAC at 570 amps. The second section between pole D29A033 and pole D29A039 and will be upgraded from 4/0 Aluminum Conductor Steel Reinforced (ACSR) at 360 amps to 397 AAC at 570 amps.

Project No: 60002424 St Cecilia 11 Re-conductor

Project Need Justification

This project is needed to eliminate a "Do Not Restore" statement from the Los Morros Unit 1 Feeder 12 and 13 Outage Contingency Plans and to mitigate thermal overloading on St. Cecilia Feeder 11 during a Los Morros 1 Substation outage in peak load conditions. Failure to complete this upgrade will result in an inability to restore power to these two feeders during peak load conditions.

Project No: **60002424** **St Cecilia 11 Re-conductor**

Project Alternatives

1. Do nothing. This will maintain the inability to restore power to the two feeders during peak load conditions.
2. Add a new substation in the area to increase available capacity. This is currently being considered in the West Los Lunas Area Study. However, if the area review confirms this to be a viable option it will be a much more expensive solution and require significantly more time to implement.
3. Extend the St. Cecilia 13 Feeder to the West to tie to the Los Morros 23 Feeder which will provide another path to off load the Los Morros 2 Substation. This was recently completed, but is a partial solution itself. It does not provide sufficient capacity to remove the "Do Not Restore" status from the Los Morros 12 and 13 Feeders.

Project No: **60002424** **St Cecilia 11 Re-conductor**

Project Estimate Approach	The project estimate is based on a cost estimate received from PNM's Distribution Engineering Team as well as the cost of recently designed and upgraded distribution lines.

Project No: **60002424** **St Cecilia 11 Re-conductor**

Customer Benefit	This project will ensure that PNM can provide service to residential and commercial customers during an outage of Los Morros 1 substation. The project ensures voltages and equipment loading remain within PNM's operational limits.

Project No: 60002424 St Cecilia 11 Re-conductor

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **60002424** **St Cecilia 11 Re-conductor**

General Services

Reliability & Resiliency

The St. Cecilia 11 Re-conductor will provide increased reliability to the West Los Lunas area by providing feeder capacity to off load Los Morros 2 circuits so that Los Morros 1 feeders can be restored.

Safety & Security

Technology Advancements

Project No: 60002424 St Cecilia 11 Re-conductor

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	3,829	-	-	-	-	-	-	3,829
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	46,470	-	-	-	-	-	-	46,470
370: Outside Services	225,906	-	-	-	-	-	-	225,906
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	4	-	-	-	-	-	-	4
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	301	-	-	-	-	-	-	301
914: Pension and Benefits	644	-	-	-	-	-	-	644
915: Injuries and Damages	773	-	-	-	-	-	-	773
921: Stores Load	2,590	-	-	-	-	-	-	2,590
922: Minor Material Load	7,810	-	-	-	-	-	-	7,810
925: E&S Loads	17,529	-	-	-	-	-	-	17,529
926: A&G Loads	15,722	-	-	-	-	-	-	15,722
928: AFUDC Debt	2,819	-	-	-	-	-	-	2,819
929: AFUDC Equity	2,436	-	-	-	-	-	-	2,436
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(299,363)	-	-	-	-	-	-	(299,363)
825: Closing Cost of Removal	-	(27,470)	-	-	-	-	-	(27,470)
Project Net	27,470	(27,470)	-	-	-	-	-	-

Project No: **60002424** **St Cecilia 11 Re-conductor**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	3,829	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	46,470	-	-	-	-	-	-
370: Outside Services	225,906	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	4	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	301	-	-	-	-	-	-
914: Pension and Benefits	644	-	-	-	-	-	-
915: Injuries and Damages	773	-	-	-	-	-	-
921: Stores Load	2,590	-	-	-	-	-	-
922: Minor Material Load	7,810	-	-	-	-	-	-
925: E&S Loads	17,529	-	-	-	-	-	-
926: A&G Loads	15,722	-	-	-	-	-	-
928: AFUDC Debt	2,819	-	-	-	-	-	-
929: AFUDC Equity	2,436	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(299,363)	-	-	-	-	-	-
825: Closing Cost of Removal	(27,470)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **60002424** **St Cecilia 11 Re-conductor**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	3,829
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	46,470
370: Outside Services	-	-	-	225,906
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	4
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	301
914: Pension and Benefits	-	-	-	644
915: Injuries and Damages	-	-	-	773
921: Stores Load	-	-	-	2,590
922: Minor Material Load	-	-	-	7,810
925: E&S Loads	-	-	-	17,529
926: A&G Loads	-	-	-	15,722
928: AFUDC Debt	-	-	-	2,819
929: AFUDC Equity	-	-	-	2,436
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(299,363)
825: Closing Cost of Removal	-	-	-	(27,470)
Project Net	-	-	-	-

Project No: 60002424 St Cecilia 11 Re-conductor

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	3,829	-	-	-	3,829	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	46,470	-	-	-	46,470	-	-	-
370: Outside Services	225,906	-	-	-	225,906	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	4	-	-	-	4	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	301	-	-	-	301	-	-	-
914: Pension and Benefits	644	-	-	-	644	-	-	-
915: Injuries and Damages	773	-	-	-	773	-	-	-
921: Stores Load	2,590	-	-	-	2,590	-	-	-
922: Minor Material Load	7,810	-	-	-	7,810	-	-	-
925: E&S Loads	17,529	-	-	-	17,529	-	-	-
926: A&G Loads	15,722	-	-	-	15,722	-	-	-
928: AFUDC Debt	2,819	-	-	-	2,819	-	-	-
929: AFUDC Equity	2,436	-	-	-	2,436	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(299,363)	-	-	-	(299,363)	-	-	-
825: Closing Cost of Removal	(27,470)	-	-	-	(27,470)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60002424** **St Cecilia 11 Re-conductor**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	3,829
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	46,470
370: Outside Services	-	-	-	-	-	-	225,906
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	4
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	301
914: Pension and Benefits	-	-	-	-	-	-	644
915: Injuries and Damages	-	-	-	-	-	-	773
921: Stores Load	-	-	-	-	-	-	2,590
922: Minor Material Load	-	-	-	-	-	-	7,810
925: E&S Loads	-	-	-	-	-	-	17,529
926: A&G Loads	-	-	-	-	-	-	15,722
928: AFUDC Debt	-	-	-	-	-	-	2,819
929: AFUDC Equity	-	-	-	-	-	-	2,436
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(299,363)
825: Closing Cost of Removal	-	-	-	-	-	-	(27,470)
Project Net	-	-	-	-	-	-	-

Project No: **60002521** **Prosperity Substation**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2020

Estimated Completion Date 12/31/2026

Description

Prosperity Substation is a new 115-12.47 kV distribution substation located in Bernalillo County, New Mexico. The project will be constructed on PNM-owned property and will include the construction of a double circuit 115 kV transmission line from the existing Person to Sandia (PS) transmission line into the substation, the installation of one (1) 115-12.47kV, 33.6 MVA substation transformer, the installation of a 12.47kV four-feeder distributing substation switchgear with tie breaker, the construction of four (4) 12.47kV distribution feeders, and the installation of four (4) 115 kV breakers in a breaker and a half configuration. Site construction includes site grading and drainage, along with retaining walls.

Project No: **60002521** **Prosperity Substation**

Project Need Justification

This project is needed to ensure that PNM can maintain electrical service to customers during planned or unplanned outages of the Studio Substation. Presently, for an outage of the Studio Substation, the Studio Substation loads are transferred to Sewer Plant Substation via Sewer Plant Feeder 14. Sewer Plant Feeder 14 is the only feeder-tie available to provide back-up to the Studio Substation loads during a Studio Substation outage. After the addition of new known loads on Studio Substation, planning studies show that the transfer of Studio Substation loads to Sewer Plant Feeder 14 during a Studio Substation outage would result in conductor loading above PNM's Operation Planning Criteria rating of 550 amps. Because of the conductor overloads, a portion of the Studio Substation load will remain unserved until the outage is resolved. A new substation is required to ensure PNM can maintain electrical service to customers during a Studio Substation outage and to facilitate planned load growth in the area. This project is in line with PNM's strategy to design a distribution system that meets or exceeds standard utility practices and to maintain adequate and reliable service to new and existing PNM loads by limiting customer exposure to outages.

Project No: **60002521** **Prosperity Substation**

Project Alternatives

SM Version: PNM considered four options. Three alternatives were short-term solutions that would require re-evaluating the existing and future load demand for the area as well as additional facilities in the future. Additionally, the do-nothing approach was not considered because there is insufficient capacity in the area to facilitate backing-up the Studio Substation loads during a Studio Substation outage. Moreover, this project will provide additional substation feeder capacity to serve existing load and to support future load growth.

The first alternative was building a feeder-tie from Louden Hills feeder 12 to Studio feeder 11. However, the existing Louden Hills substation transformer has insufficient capacity to serve additional load. This option does not facilitate serving future growth in the area and does not limit customer exposure to single contingency events. Therefore, this option does not maintain safe and reliable service to new and existing customers.

The second alternative was to upgrade the Louden Hills Substation transformer and switchgear. The upgrade would also include connecting Louden Hills substation to the AT 115 kV transmission line through a double circuit line into the substation. Two new feeders would be built to serve the area loads and to provide back-up in the event of a Studio Substation outage; however, the Louden Hills Substation site is not large enough to accommodate the equipment needed and expansion of the site is not possible because there is no available property adjacent to the Louden Hills Substation site.

The third alternative was to install a second transformer and related switchgear at Studio Substation. Looping the existing 115 kV radial transmission line to the substation would also be included. However, the Studio Substation does not have sufficient space to accommodate a second transformer, switchgear, and breakers.

Project No: **60002521** **Prosperity Substation**

Project Estimate Approach	The project estimate was developed by evaluating historical data from similar projects that were built by PNM. Specifically, the project estimate was developed under the assumption that a combination of internal and external labor would be used for both engineering and construction. The project estimate is also inclusive of transmission and distribution assets.

Project No: **60002521** **Prosperity Substation**

Customer Benefit	This project will increase the available area feeder and substation transformer capacity in PNM's Albuquerque southeast service territory, which will ensure that PNM can maintain adequate and reliable service to customers in the event of a Studio Substation outage. This project is in line with PNM's strategy to design a distribution system that meets or exceeds standard utility practices and to maintain adequate and reliable service to new and existing PNM loads by limiting customer exposure to outages.

Project No:	**60002521** **Prosperity Substation**
Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **60002521** **Prosperity Substation**

General Services

Reliability & Resiliency

This project will increase the available area feeder and substation transformer capacity in PNM's Albuquerque Southeast service territory, which will ensure that PNM can maintain adequate and reliable service to customers in the event of a Studio Substation outage. This project is in line with PNM's strategy to design a distribution system that meets or exceeds standard utility practices and to maintain adequate and reliable service to new and existing PNM loads by limiting customer exposure to outages.

Safety & Security

Technology Advancements

Project No: 60002521 Prosperity Substation

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	389,295	2,322	2,322	2,322	2,322	-	-	398,582
120: Overtime-General	4,874	-	-	-	-	-	-	4,874
350: Material Issues-Major	5,333,921	-	1,000,000	-	-	-	-	6,333,921
370: Outside Services	19,992,689	164,374	164,374	164,374	1,857	-	-	20,487,668
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	21,884	-	-	-	-	-	-	21,884
805: Land and Land Rights	39,216	-	-	-	-	-	-	39,216
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	30,866	177	177	177	177	-	-	31,574
914: Pension and Benefits	78,427	432	432	432	432	-	-	80,155
915: Injuries and Damages	62,718	460	460	460	460	-	-	64,557
921: Stores Load	166,590	-	227,880	-	-	-	-	394,470
922: Minor Material Load	86,925	-	-	-	-	-	-	86,925
925: E&S Loads	2,081,755	10,905	75,905	10,905	341	-	-	2,179,810
926: A&G Loads	1,096,029	8,668	60,668	8,668	217	-	-	1,174,251
928: AFUDC Debt	1,583,727	1,141	3,119	5,107	5,355	-	-	1,598,450
929: AFUDC Equity	1,277,843	1,216	3,324	5,443	5,707	-	-	1,293,534
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(31,482,646)	-	-	-	(2,188,261)	-	-	(33,670,907)
825: Closing Cost of Removal	(42,536)	-	-	-	(476,428)	-	-	(518,964)
Project Net	721,578	189,694	1,538,661	197,888	(2,647,821)	-	-	-

Project No: **60002521** **Prosperity Substation**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	398,582	-	-	-	-	-	-
120: Overtime-General	4,874	-	-	-	-	-	-
350: Material Issues-Major	6,333,921	-	-	-	-	-	-
370: Outside Services	20,487,668	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	21,884	-	-	-	-	-	-
805: Land and Land Rights	39,216	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	31,574	-	-	-	-	-	-
914: Pension and Benefits	80,155	-	-	-	-	-	-
915: Injuries and Damages	64,557	-	-	-	-	-	-
921: Stores Load	394,470	-	-	-	-	-	-
922: Minor Material Load	86,925	-	-	-	-	-	-
925: E&S Loads	2,179,810	-	-	-	-	-	-
926: A&G Loads	1,174,251	-	-	-	-	-	-
928: AFUDC Debt	1,598,450	-	-	-	-	-	-
929: AFUDC Equity	1,293,534	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(33,670,907)	-	-	-	-	-	-
825: Closing Cost of Removal	(518,964)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **60002521** **Prosperity Substation**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	398,582
120: Overtime-General	-	-	-	4,874
350: Material Issues-Major	-	-	-	6,333,921
370: Outside Services	-	-	-	20,487,668
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	21,884
805: Land and Land Rights	-	-	-	39,216
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	31,574
914: Pension and Benefits	-	-	-	80,155
915: Injuries and Damages	-	-	-	64,557
921: Stores Load	-	-	-	394,470
922: Minor Material Load	-	-	-	86,925
925: E&S Loads	-	-	-	2,179,810
926: A&G Loads	-	-	-	1,174,251
928: AFUDC Debt	-	-	-	1,598,450
929: AFUDC Equity	-	-	-	1,293,534
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(33,670,907)
825: Closing Cost of Removal	-	-	-	(518,964)
Project Net	-	-	-	-

Project No: 60002521 Prosperity Substation

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	398,582	-	-	-	398,582	-	-	-
120: Overtime-General	4,874	-	-	-	4,874	-	-	-
350: Material Issues-Major	6,333,921	-	-	-	6,333,921	-	-	-
370: Outside Services	20,487,668	-	-	-	20,487,668	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	21,884	-	-	-	21,884	-	-	-
805: Land and Land Rights	39,216	-	-	-	39,216	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	31,574	-	-	-	31,574	-	-	-
914: Pension and Benefits	80,155	-	-	-	80,155	-	-	-
915: Injuries and Damages	64,557	-	-	-	64,557	-	-	-
921: Stores Load	394,470	-	-	-	394,470	-	-	-
922: Minor Material Load	86,925	-	-	-	86,925	-	-	-
925: E&S Loads	2,179,810	-	-	-	2,179,810	-	-	-
926: A&G Loads	1,174,251	-	-	-	1,174,251	-	-	-
928: AFUDC Debt	1,598,450	-	-	-	1,598,450	-	-	-
929: AFUDC Equity	1,293,534	-	-	-	1,293,534	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(33,670,907)	-	-	-	(33,670,907)	-	-	-
825: Closing Cost of Removal	(518,964)	-	-	-	(518,964)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60002521** **Prosperity Substation**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	398,582
120: Overtime-General	-	-	-	-	-	-	4,874
350: Material Issues-Major	-	-	-	-	-	-	6,333,921
370: Outside Services	-	-	-	-	-	-	20,487,668
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	21,884
805: Land and Land Rights	-	-	-	-	-	-	39,216
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	31,574
914: Pension and Benefits	-	-	-	-	-	-	80,155
915: Injuries and Damages	-	-	-	-	-	-	64,557
921: Stores Load	-	-	-	-	-	-	394,470
922: Minor Material Load	-	-	-	-	-	-	86,925
925: E&S Loads	-	-	-	-	-	-	2,179,810
926: A&G Loads	-	-	-	-	-	-	1,174,251
928: AFUDC Debt	-	-	-	-	-	-	1,598,450
929: AFUDC Equity	-	-	-	-	-	-	1,293,534
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(33,670,907)
825: Closing Cost of Removal	-	-	-	-	-	-	(518,964)
Project Net	-	-	-	-	-	-	-

Project No: **60002526** **Project Ranger**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Sandoval 100%

Estimated Start Date 4/1/2026

Estimated Completion Date 3/31/2027

Description

This project includes the feeder portions of the Progress unit 2 project. This project includes additional distribution feeders in the area to deliver the 10MW of power required from the Progress substation to the Project Ranger customer location. The new Progress Substation feeder must be extended west towards the Project Ranger site. A combination of 750 CU underground cable and 397 AAC @570 overhead conductor should be used to serve this load. Voltage regulators and capacitor banks will be required to maintain adequate power factor and service voltage on this feeder for this customer, who is approximately 5 miles from the Progress Substation. The project includes approximately 5 miles of feeder construction, switchgear, voltage regulators, and capacitor bank.

Project No: **60002526** **Project Ranger**

Project Need Justification

Currently, PNM does not have facilities that can support the 10 MW load requested by the customer built out to the site. As such, new distribution feeders are associated reactive devices are needed to ensure safe and reliable power for this facility.

Project No: **60002526** **Project Ranger**

Project Alternatives	The "do nothing" approach is not acceptable as PNM has an obligation to serve. During the detailed planning study, planning engineers evaluate multiple alternatives to determine the most effective, reliable, and cost-efficient solution. Detailed studies compare different system configurations, operating strategies, and infrastructure investments to understand how each option performs under normal and contingency conditions. Potential solutions included extending transmission and building a new substation at the customer site. However, this solution would have been much more expensive.

Project No: **60002526** **Project Ranger**

Project Estimate Approach	The project estimate was completed using standard PNM unit costs for standard distribution facilities.

Project No: **60002526** **Project Ranger**

Customer Benefit	This project is critical to serve this new customer with safe and reliable power. The project benefits all customers by supporting economic development and increasing revenue from a significant new customer, which helps spread system costs across a larger customer base.

Project No: 60002526 Project Ranger

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	This project is critical to serve this new customer with safe and reliable power. The project benefits all customers by supporting economic development and increasing revenue from a significant new customer, which helps spread system costs across a larger customer base.
Energy Transition	

Project No: **60002526** **Project Ranger**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 60002526 Project Ranger

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	15,250	58,252	58,252	58,252	58,252	58,252	58,252	364,765
120: Overtime-General	750	-	-	-	-	-	-	750
350: Material Issues-Major	2,307,316	233,010	233,010	233,010	233,010	233,010	233,010	3,705,374
370: Outside Services	2,250	218,447	218,447	218,447	218,447	218,447	218,447	1,312,930
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	483	-	-	-	-	-	-	483
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,219	4,439	4,439	4,439	4,439	4,439	4,439	27,852
914: Pension and Benefits	2,928	10,841	10,841	10,841	10,841	10,841	10,841	67,973
915: Injuries and Damages	3,168	11,534	11,534	11,534	11,534	11,534	11,534	72,372
921: Stores Load	54,189	53,098	53,098	53,098	53,098	53,098	53,098	372,779
922: Minor Material Load	229,927	-	-	-	-	-	-	229,927
925: E&S Loads	166,748	34,874	34,874	34,874	34,874	34,874	34,874	375,992
926: A&G Loads	146,174	26,505	26,505	26,505	26,505	26,505	26,505	305,203
928: AFUDC Debt	6,896	8,005	9,539	11,081	12,631	14,189	15,754	78,096
929: AFUDC Equity	5,521	8,532	10,167	11,810	13,462	15,122	16,790	81,403
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	2,942,820	667,536	670,705	673,890	677,092	680,310	683,544	6,995,897

Project No: **60002526** **Project Ranger**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	364,765	56,556	56,556	56,556	-	-	-
120: Overtime-General	750	-	-	-	-	-	-
350: Material Issues-Major	3,705,374	-	-	-	-	-	-
370: Outside Services	1,312,930	28,278	28,278	28,278	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	483	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	27,852	4,672	4,672	4,672	-	-	-
914: Pension and Benefits	67,973	10,740	10,740	10,740	-	-	-
915: Injuries and Damages	72,372	10,723	10,723	10,723	-	-	-
921: Stores Load	372,779	-	-	-	-	-	-
922: Minor Material Load	229,927	-	-	-	-	-	-
925: E&S Loads	375,992	7,768	7,768	7,768	-	-	-
926: A&G Loads	305,203	3,181	3,181	3,181	-	-	-
928: AFUDC Debt	78,096	15,085	15,416	15,749	-	-	-
929: AFUDC Equity	81,403	20,407	20,856	21,306	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(7,171,447)	-	-	-
825: Closing Cost of Removal	-	-	-	(299,022)	-	-	-
Project Net	6,995,897	157,410	158,189	(7,311,497)	-	-	-

Project No: 60002526 Project Ranger

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	534,433
120: Overtime-General	-	-	-	750
350: Material Issues-Major	-	-	-	3,705,374
370: Outside Services	-	-	-	1,397,764
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	483
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	41,867
914: Pension and Benefits	-	-	-	100,193
915: Injuries and Damages	-	-	-	104,541
921: Stores Load	-	-	-	372,779
922: Minor Material Load	-	-	-	229,927
925: E&S Loads	-	-	-	399,295
926: A&G Loads	-	-	-	314,747
928: AFUDC Debt	-	-	-	124,346
929: AFUDC Equity	-	-	-	143,972
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(7,171,447)
825: Closing Cost of Removal	-	-	-	(299,022)
Project Net	-	-	-	(0)

Project No: 60002526 Project Ranger

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	534,433	-	-	-	534,433	-	-	-
120: Overtime-General	750	-	-	-	750	-	-	-
350: Material Issues-Major	3,705,374	-	-	-	3,705,374	-	-	-
370: Outside Services	1,397,764	-	-	-	1,397,764	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	483	-	-	-	483	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	41,867	-	-	-	41,867	-	-	-
914: Pension and Benefits	100,193	-	-	-	100,193	-	-	-
915: Injuries and Damages	104,541	-	-	-	104,541	-	-	-
921: Stores Load	372,779	-	-	-	372,779	-	-	-
922: Minor Material Load	229,927	-	-	-	229,927	-	-	-
925: E&S Loads	399,295	-	-	-	399,295	-	-	-
926: A&G Loads	314,747	-	-	-	314,747	-	-	-
928: AFUDC Debt	124,346	-	-	-	124,346	-	-	-
929: AFUDC Equity	143,972	-	-	-	143,972	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(7,171,447)	-	-	-	(7,171,447)	-	-	-
825: Closing Cost of Removal	(299,022)	-	-	-	(299,022)	-	-	-
Project Net	(0)	-	-	-	(0)	-	-	-

Project No: **60002526** **Project Ranger**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	534,433
120: Overtime-General	-	-	-	-	-	-	750
350: Material Issues-Major	-	-	-	-	-	-	3,705,374
370: Outside Services	-	-	-	-	-	-	1,397,764
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	483
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	41,867
914: Pension and Benefits	-	-	-	-	-	-	100,193
915: Injuries and Damages	-	-	-	-	-	-	104,541
921: Stores Load	-	-	-	-	-	-	372,779
922: Minor Material Load	-	-	-	-	-	-	229,927
925: E&S Loads	-	-	-	-	-	-	399,295
926: A&G Loads	-	-	-	-	-	-	314,747
928: AFUDC Debt	-	-	-	-	-	-	124,346
929: AFUDC Equity	-	-	-	-	-	-	143,972
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(7,171,447)
825: Closing Cost of Removal	-	-	-	-	-	-	(299,022)
Project Net	-	-	-	-	-	-	(0)

Project No: **60002626** **Central 15 Feeder**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Bernalillo 100%

Estimated Start Date 8/1/2026

Estimated Completion Date 4/30/2027

Description

The purpose of the project is to install a new feeder out of Central Substation to serve Customer with their scheduled 2nd phase of load. This feeder is mainly for Customer but there will be some capacity to serve smaller loads in the area. The new feeder will be approximately 1.6 miles long, and it will be built to PNM's underground and overhead standards. Customer will be served from the Westpointe 40 substation after the substation is built, and this feeder will be repurposed for load growth and backup in the area.

Project No: 60002626 Central 15 Feeder

Project Need Justification	Capacity in the Daytona Road service area is fully committed, so a new feeder must be extended from the new Central Substation transformer to support continued growth due to Customer and smaller load in the area. The new feeder also adds redundancy, giving PNM a switching path to keep all customers in service during outages or planned maintenance that would otherwise interrupt service.

Project No: **60002626** **Central 15 Feeder**

Project Alternatives

The only alternative is the "Do Nothing" approach. Doing nothing would leave the service area at its current capacity and PNM would not be able to serve Customer's 2nd phase. In addition, PNM could not serve any additional load in the area and customers would remain on a single source with limited switching options during outages and maintenance.

Project No: **60002626** **Central 15 Feeder**

Project Estimate Approach	The project estimate was developed by evaluating historical data from similar projects that were built by PNM. Specifically, the project estimate was developed under the assumption that a combination of internal and external labor would be used for both engineering and construction. The project estimate is also inclusive of transmission and distribution assets.

Project No: **60002626** **Central 15 Feeder**

Customer Benefit

This project will allow PNM to serve Customer with their 2nd phase of added load. In addition, smaller loads will be able to be added to the system. The new feeder will also allow for load to be transferred and provide back up to the area when outages occur. Once the Westpointe 40 substation is built, this feeder will mainly serve as a backup and support additional load growth in the area if needed.

Project No: **60002626 Central 15 Feeder**

Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	This project increases the reliability of the customer's connection to the distribution system. It also reduces the risk of outages for customers and minimizes outage time when faults occur. Eventually, the feeder can be used for more load growth and back up in the area.
Energy Transition	

Project No: **60002626** **Central 15 Feeder**

General Services

Reliability & Resiliency

The feeder will mainly serve new load but it will have some purpose as a backup feeder so loads can transferred when outages occur.

Safety & Security

Technology Advancements

Project No: 60002626 Central 15 Feeder

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60002626** **Central 15 Feeder**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	175,532	175,532	-	-	-	-
370: Outside Services	-	533,794	683,794	183,794	83,794	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	29,433	29,433	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	49,653	60,153	12,866	5,866	-	-
926: A&G Loads	-	26,600	32,225	6,892	3,142	-	-
928: AFUDC Debt	-	843	2,706	3,946	4,273	-	-
929: AFUDC Equity	-	1,141	3,661	5,339	5,781	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	(1,973,718)	-	-
825: Closing Cost of Removal	-	-	-	-	(146,475)	-	-
Project Net	-	816,996	987,504	212,837	(2,017,337)	-	-

Project No: **60002626** **Central 15 Feeder**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	351,064
370: Outside Services	-	-	-	1,485,176
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	58,866
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	128,537
926: A&G Loads	-	-	-	68,859
928: AFUDC Debt	-	-	-	11,769
929: AFUDC Equity	-	-	-	15,922
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(1,973,718)
825: Closing Cost of Removal	-	-	-	(146,475)
Project Net	-	-	-	-

Project No: **60002626** **Central 15 Feeder**

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	351,064	-	-	-	351,064	-	-	-
370: Outside Services	1,485,176	-	-	-	1,485,176	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	58,866	-	-	-	58,866	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	128,537	-	-	-	128,537	-	-	-
926: A&G Loads	68,859	-	-	-	68,859	-	-	-
928: AFUDC Debt	11,769	-	-	-	11,769	-	-	-
929: AFUDC Equity	15,922	-	-	-	15,922	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,973,718)	-	-	-	(1,973,718)	-	-	-
825: Closing Cost of Removal	(146,475)	-	-	-	(146,475)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60002626** **Central 15 Feeder**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	351,064
370: Outside Services	-	-	-	-	-	-	1,485,176
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	58,866
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	128,537
926: A&G Loads	-	-	-	-	-	-	68,859
928: AFUDC Debt	-	-	-	-	-	-	11,769
929: AFUDC Equity	-	-	-	-	-	-	15,922
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(1,973,718)
825: Closing Cost of Removal	-	-	-	-	-	-	(146,475)
Project Net	-	-	-	-	-	-	-

Project No: **60002822** **Tramway Substation**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Bernalillo 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2027

Description

This project replaces the aged power transformer, circuit switcher and switchgear enclosure at Tramway Substation. PNM Engineering and Operations identified the replacement as a critical need to avoid future failures of that equipment.

Project No: 60002822 Tramway Substation

Project Need Justification

The power transformer, circuit switcher and switchgear enclosure at Tramway Substation are aging and require replacement. Replacing these components before they fail avoids prolonged outages and the emergency replacement costs while increasing reliability and resiliency for customers served from the site in the greater Albuquerque area.

Project No: **60002822** **Tramway Substation**

Project Alternatives

This project is the least cost alternative because assets at this site are past their end of life and require proactive replacement. The 'Leave as is' alternative would eventually lead to equipment failures that would need to be replaced in an emergency situation which would lead to higher costs. The other alternative of replacing each piece of equipment during different scheduled outages would increase design and construction costs through multiple design and construction phases that require more ramp up/ramp down costs compared to a wholistic replacement approach.

Project No: **60002822** **Tramway Substation**

Project Estimate Approach	The project estimate includes Phase 1 and Phase 2 project development activities, including scope definition, engineering, lands, and environmental review. The estimate was developed using contractor estimates and anticipated equipment costs.

Project No: **60002822** **Tramway Substation**

Customer Benefit	The project would alleviate the risk of a prolonged outage and increased costs in the event of an equipment failure and emergency replacement by proactively replacing aging assets. The replacement of transformer, circuit switcher and switchgear will help protect major assets from power surges on the incoming transmission line (which can occur via lightning strikes) therefore mitigating the duration of outages and limiting exposure of expensive equipment to hazardous fault current, both of which are beneficial to the customer.

Project No: **60002822** **Tramway Substation**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **60002822** **Tramway Substation**

General Services

Reliability & Resiliency

This project strengthens system reliability and resiliency by proactively replacing aging substation assets, including the transformer, circuit switcher, and switchgear, before failure occurs. These assets are critical to maintaining continuous electric service and supporting safe, reliable operation of the transmission and distribution system.

By replacing equipment that is approaching the end of its useful life, the project reduces the risk of unplanned outages, emergency repairs, and extended service interruptions that could result from a catastrophic equipment failure. Proactive replacement is also a prudent cost-management strategy, helping avoid the significantly higher costs and operational challenges associated with emergency procurement, expedited construction, and prolonged customer outages.

The new equipment will enhance the station's ability to withstand and isolate system disturbances, including power surges originating on the transmission system, such as those caused by lightning strikes. Improved protective capabilities will reduce the likelihood of widespread equipment damage, limit exposure of major assets to high fault currents, and shorten outage duration when system events occur.

Overall, this investment improves grid resiliency by reducing vulnerability to equipment failure, strengthening system protection, and ensuring continued reliable service for customers while minimizing future operational and financial risks.

Safety & Security

Technology Advancements

Project No: 60002822 Tramway Substation

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60002822** **Tramway Substation**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	2,517	2,517	2,517	2,517	2,517	2,517
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	347,124	347,124	347,124	347,124	347,124	347,124
370: Outside Services	-	280,101	280,101	280,101	280,101	280,101	280,101
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	208	208	208	208	208	208
914: Pension and Benefits	-	478	478	478	478	478	478
915: Injuries and Damages	-	477	477	477	477	477	477
921: Stores Load	-	58,206	58,206	58,206	58,206	58,206	58,206
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	44,163	44,163	44,163	44,163	44,163	44,163
926: A&G Loads	-	23,615	23,615	23,615	23,615	23,615	23,615
928: AFUDC Debt	-	783	783	2,354	3,932	5,519	7,114
929: AFUDC Equity	-	1,059	1,059	3,184	5,320	7,467	9,625
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	(705,750)	-	-	-	-	-
825: Closing Cost of Removal	-	(52,982)	-	-	-	-	-
Project Net	-	-	758,732	762,427	766,141	769,875	773,629

Project No: 60002822 Tramway Substation

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	2,517	2,517	2,517	22,650
120: Overtime-General	-	-	-	-
350: Material Issues-Major	347,124	347,124	347,124	3,124,117
370: Outside Services	280,101	280,101	280,101	2,520,913
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	208	208	208	1,871
914: Pension and Benefits	478	478	478	4,301
915: Injuries and Damages	477	477	477	4,294
921: Stores Load	58,206	58,206	58,206	523,852
922: Minor Material Load	-	-	-	-
925: E&S Loads	44,163	44,163	44,163	397,470
926: A&G Loads	23,615	23,615	23,615	212,538
928: AFUDC Debt	8,718	10,330	11,950	51,484
929: AFUDC Equity	11,794	13,975	16,167	69,649
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(705,750)
825: Closing Cost of Removal	-	-	-	(52,982)
Project Net	777,401	781,194	785,007	6,174,407

Project No: 60002822 Tramway Substation

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	22,650	2,517	2,517	2,517	30,200	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	3,124,117	347,124	347,124	347,124	4,165,489	-	-	-
370: Outside Services	2,520,913	280,101	280,101	280,101	3,361,217	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,871	208	208	208	2,495	-	-	-
914: Pension and Benefits	4,301	478	478	478	5,735	-	-	-
915: Injuries and Damages	4,294	477	477	477	5,726	-	-	-
921: Stores Load	523,852	58,206	58,206	58,206	698,469	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	397,470	44,163	44,163	44,163	529,960	-	-	-
926: A&G Loads	212,538	23,615	23,615	23,615	283,384	-	-	-
928: AFUDC Debt	51,484	13,579	15,217	16,863	97,142	-	-	-
929: AFUDC Equity	69,649	18,370	20,586	22,812	131,417	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(705,750)	-	-	(7,969,697)	(8,675,447)	-	-	-
825: Closing Cost of Removal	(52,982)	-	-	(582,805)	(635,787)	-	-	-
Project Net	6,174,407	788,839	792,692	(7,755,938)	0	-	-	-

Project No: **60002822** **Tramway Substation**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	30,200
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	4,165,489
370: Outside Services	-	-	-	-	-	-	3,361,217
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	2,495
914: Pension and Benefits	-	-	-	-	-	-	5,735
915: Injuries and Damages	-	-	-	-	-	-	5,726
921: Stores Load	-	-	-	-	-	-	698,469
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	529,960
926: A&G Loads	-	-	-	-	-	-	283,384
928: AFUDC Debt	-	-	-	-	-	-	97,142
929: AFUDC Equity	-	-	-	-	-	-	131,417
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(8,675,447)
825: Closing Cost of Removal	-	-	-	-	-	-	(635,787)
Project Net	-	-	-	-	-	-	0

Project No: 60003113 Morris 12 Feeder Rebuild

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Bernalillo 100%

Estimated Start Date 6/1/2023

Estimated Completion Date 12/31/2028

Description

The Morris 12 (MORR12) Feeder Rebuild project includes the demolition and construction of the MORR12 distribution feeder. The project will consist of a complete rebuild of approximately 5 miles of the MORR12 backbone in the Albuquerque metro region. This will involve upgrading ~250 poles to ensure they are the standard height and class, upgrading primary wire to 397 All Aluminum Conductor with a 2/0 Aluminum Conductor Steel-Reinforced Cable System Neutral, as well as upgrading all open wire secondary along the line to Triplex wire. Replacements of existing facilities will be done according to the latest PNM engineering standards.

Project No: 60003113 Morris 12 Feeder Rebuild

Project Need Justification

The purpose of this project is to improve the reliability of PNM's MORR12 Feeder which has, over the last several years, experienced significant outages. The top causes for performance issues with this feeder are lightning, bird related incidents, non-standard pole heights, decayed poles and cross-arms, vegetation overgrowth, and conductor flash due to long span lengths. The project will reduce the risk of customer outages, decrease fire hazards, and reduce environmental impacts. This system reliability improvement will include upgrading the feeder overhead conductor and replacement of decayed and undersized poles, cross-arms, and associated parts and hardware.

Project No: **60003113** **Morris 12 Feeder Rebuild**

Project Alternatives	1. Do nothing. This will enable performance issues to persist and to increase as existing equipment decays, which will raise the risk of customer outages, fire hazards, and environmental impacts. 2. Replace the infrastructure reactively and piecemeal as individual pieces of equipment fail or reach the end of useful life. This alternative was not considered as over time it would cost more than a fully planned replacement at scale. This option would also not provide a material improvement in reliability that would be achieved via the rebuild.

Project No: **60003113** **Morris 12 Feeder Rebuild**

Project Estimate Approach	The estimate is all inclusive for design, procurement, and build. Quotes for major equipment and estimating models from previous installations were used to determine pricing for current project.

Project No: **60003113** **Morris 12 Feeder Rebuild**

Customer Benefit	This project will rebuild the MORR12 distribution feeder backbone to new standards of poles, wire, protective devices, transformers, and other distribution equipment to increase the reliability for customer service. Other benefits include the reduction of the risk of customer outages, decreased fire hazards, and reduced environmental impacts (i.e. all poles to be raptor safe, incorporating fire mitigation design methods, installing additional lightning protection, and providing needed vegetation management for the feeders).

Project No:	**60003113 Morris 12 Feeder Rebuild**
Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **60003113** **Morris 12 Feeder Rebuild**

General Services

Reliability & Resiliency

Data analysis shows the aging assets of the feeder have an increasing possibility of failure over the next 10 years, decreasing overall system performance and reliability. Proactive capital investment to rebuild the feeder to new standards will provide the highest benefit.

Safety & Security

Technology Advancements

Project No: 60003113 Morris 12 Feeder Rebuild

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	16,360	-	-	-	-	-	-	16,360
120: Overtime-General	461	-	-	-	-	-	-	461
350: Material Issues-Major	791,607	-	-	-	-	-	-	791,607
370: Outside Services	3,392,820	456,770	402,785	146,900	100,000	100,000	100,000	4,699,275
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,979	-	-	-	-	-	-	2,979
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,302	-	-	-	-	-	-	1,302
914: Pension and Benefits	3,009	-	-	-	-	-	-	3,009
915: Injuries and Damages	3,340	-	-	-	-	-	-	3,340
921: Stores Load	30,284	-	-	-	-	-	-	30,284
922: Minor Material Load	25,240	-	-	-	-	-	-	25,240
925: E&S Loads	157,286	29,690	26,181	9,549	6,500	6,500	6,500	242,205
926: A&G Loads	138,189	23,752	20,945	7,639	5,200	5,200	5,200	206,125
928: AFUDC Debt	51,381	12,071	11,427	5,012	2,978	745	768	84,381
929: AFUDC Equity	42,186	12,864	12,179	5,341	3,174	794	818	77,356
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	(732,138)	(2,910,226)	(963,076)	(1,015,540)	(95,980)	(92,340)	(5,809,300)
825: Closing Cost of Removal	-	(5,068)	(37,152)	(16,571)	(22,229)	(3,590)	(4,434)	(89,043)
Project Net	4,656,444	(202,059)	(2,473,861)	(805,207)	(919,916)	13,669	16,512	285,582

Project No: **60003113** **Morris 12 Feeder Rebuild**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	16,360	-	-	-	-	-	-
120: Overtime-General	461	-	-	-	-	-	-
350: Material Issues-Major	791,607	-	516,440	278,083	-	-	-
370: Outside Services	4,699,275	198,335	198,335	198,335	198,335	198,335	198,335
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	2,979	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,302	-	-	-	-	-	-
914: Pension and Benefits	3,009	-	-	-	-	-	-
915: Injuries and Damages	3,340	-	-	-	-	-	-
921: Stores Load	30,284	-	86,597	46,629	-	-	-
922: Minor Material Load	25,240	-	-	-	-	-	-
925: E&S Loads	242,205	13,883	50,034	33,349	13,883	13,883	13,883
926: A&G Loads	206,125	7,438	26,804	17,866	7,438	7,438	7,438
928: AFUDC Debt	84,381	834	1,777	2,924	2,270	1,757	1,850
929: AFUDC Equity	77,356	1,128	2,404	3,956	3,071	2,377	2,503
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(5,809,300)	(88,375)	(164,128)	(670,176)	(440,079)	(166,454)	(165,754)
825: Closing Cost of Removal	(89,043)	(5,254)	(11,474)	(47,857)	(31,585)	(12,024)	(12,027)
Project Net	285,582	127,988	706,789	(136,891)	(246,667)	45,312	46,228

Project No: 60003113 Morris 12 Feeder Rebuild

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	16,360
120: Overtime-General	-	-	-	461
350: Material Issues-Major	-	-	-	1,586,130
370: Outside Services	198,335	198,335	198,335	6,484,290
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	2,979
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,302
914: Pension and Benefits	-	-	-	3,009
915: Injuries and Damages	-	-	-	3,340
921: Stores Load	-	-	-	163,509
922: Minor Material Load	-	-	-	25,240
925: E&S Loads	13,883	13,883	13,883	422,773
926: A&G Loads	7,438	7,438	7,438	302,858
928: AFUDC Debt	1,946	2,041	2,136	101,916
929: AFUDC Equity	2,632	2,761	2,889	101,078
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	(166,110)	(166,421)	(160,586)	(7,997,384)
825: Closing Cost of Removal	(12,091)	(12,139)	(11,730)	(245,224)
Project Net	46,033	45,898	52,366	972,638

Project No: 60003113 Morris 12 Feeder Rebuild

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	16,360	-	-	-	16,360	-	-	-
120: Overtime-General	461	-	-	-	461	-	-	-
350: Material Issues-Major	1,586,130	-	-	-	1,586,130	-	368,514	-
370: Outside Services	6,484,290	198,335	198,335	198,335	7,079,295	201,809	201,809	201,809
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	2,979	-	-	-	2,979	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,302	-	-	-	1,302	-	-	-
914: Pension and Benefits	3,009	-	-	-	3,009	-	-	-
915: Injuries and Damages	3,340	-	-	-	3,340	-	-	-
921: Stores Load	163,509	-	-	-	163,509	-	61,792	-
922: Minor Material Load	25,240	-	-	-	25,240	-	-	-
925: E&S Loads	422,773	13,883	13,883	13,883	464,423	14,127	39,923	14,127
926: A&G Loads	302,858	7,438	7,438	7,438	325,170	7,084	20,018	7,084
928: AFUDC Debt	101,916	2,244	2,350	2,454	108,964	2,511	3,183	3,350
929: AFUDC Equity	101,078	3,036	3,179	3,320	110,614	3,961	5,023	5,285
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(7,997,384)	(161,930)	(163,174)	(163,572)	(8,486,061)	(123,584)	(357,500)	(194,609)
825: Closing Cost of Removal	(245,224)	(11,838)	(11,934)	(11,965)	(280,961)	(9,037)	(26,297)	(14,282)
Project Net	972,638	51,168	50,077	49,893	1,123,776	96,871	316,465	22,763

Project No: **60003113** **Morris 12 Feeder Rebuild**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	16,360
120: Overtime-General	-	-	-	-	-	-	461
350: Material Issues-Major	-	-	-	-	-	-	1,954,644
370: Outside Services	201,809	201,809	201,809	201,809	201,809	201,809	8,895,576
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	2,979
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,302
914: Pension and Benefits	-	-	-	-	-	-	3,009
915: Injuries and Damages	-	-	-	-	-	-	3,340
921: Stores Load	-	-	-	-	-	-	225,302
922: Minor Material Load	-	-	-	-	-	-	25,240
925: E&S Loads	14,127	14,127	14,127	14,127	14,127	14,127	617,359
926: A&G Loads	7,084	7,084	7,084	7,084	7,084	7,084	401,857
928: AFUDC Debt	3,396	3,453	3,515	3,582	3,652	3,725	139,331
929: AFUDC Equity	5,359	5,448	5,546	5,651	5,761	5,876	158,523
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(190,143)	(187,867)	(186,036)	(184,601)	(183,344)	(182,246)	(10,275,991)
825: Closing Cost of Removal	(13,926)	(13,733)	(13,577)	(13,451)	(13,340)	(13,242)	(411,845)
Project Net	27,706	30,320	32,468	34,200	35,748	37,131	1,757,446

Project No: **60003126** **Project Lola**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % Bernalillo 100%

Estimated Start Date 6/1/2026

Estimated Completion Date 8/31/2026

Description

This project is needed to serve a new economic development customer and provide backup when an outage occurs on the primary feeder and substation. The customer will be served from Lost Horizon 11, which requires the installation of a voltage regulator and a single-phase load transfer from Phase A to Phase C to balance the load. Additional system improvements will be installed to provide backup if there is an outage at Lost Horizon substation or a Petroglyph substation.

Project No: 60003126 Project Lola

Project Need Justification	This project is needed to serve a new customer, and Lost Horizon 11 will be the primary feeder. The existing wire has sufficient capacity to serve the load, but a new voltage regulator is needed to increase the voltage because the customer is at the end of the line. A single-phase load transfer from Phase A to Phase C is also needed to balance the load between phases, and new SCADA-Mate switches need to be installed for contingency purposes. Lastly, another feeder needs to be extended to back up this load in case there is an outage at either Lost Horizon substation or Petroglyph substation.

Project No: **60003126** **Project Lola**

Project Alternatives	Based on Distribution Planning recommendations there are no alternatives to serve this project. If PNM did nothing then the customer would have to self-serve via gas or solar and batteries with no backup power from PNM. If the customer requires backup power from PNM then the system improvement recommendations from PNM would need to be installed.

Project No: **60003126** **Project Lola**

Project Estimate Approach	The project was estimated using historical PNM data from similar projects using engineering and labor resources. The major cost drivers for this project include equipment, services, and engineering design as applicable.

Project No: **60003126** **Project Lola**

Customer Benefit	The customer will be able to interconnect to PNM's system at the capacity and backup requested. This project work does not add capacity to the system for existing customers. However, the system improvements being installed allow for multiple contingency options to backup affected feeders when there are substation outages at either Lost Horizon substation or Petroglyph substation.

Project No:	**60003126 Project Lola**
Primary Value Driver	Customer Delivery
Compliance	Driver is to deliver safe reliable power to Project Lola to support their loads. This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	PNM is able to serve this customer and add load to system for economic development.
Energy Transition	

Project No: **60003126** **Project Lola**

General Services

Reliability & Resiliency

Safety & Security

Multiple scada devices have been installed that allows DOC (Distribution Operation Center) to view loading in the area and transfer loads remotely without having to send crews to do that work when an outage occurs. The crews can focus on troubleshooting to find the cause and fix it.

Technology Advancements

Project No: 60003126 Project Lola

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	144,125	-	-	-	-	-	-	144,125
370: Outside Services	-	223,301	233,156	-	-	-	-	456,457
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(553,630)	-	-	-	-	-	-	(553,630)
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	4,126	-	-	-	-	-	-	4,126
922: Minor Material Load	20,898	-	-	-	-	-	-	20,898
925: E&S Loads	10,737	14,515	15,155	-	-	-	-	40,407
926: A&G Loads	9,439	11,612	12,124	-	-	-	-	33,175
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	(109,867)	-	-	-	-	(109,867)
825: Closing Cost of Removal	-	-	(35,690)	-	-	-	-	(35,690)
Project Net	(364,305)	249,427	114,878	-	-	-	-	-

Project No: **60003126** **Project Lola**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	144,125	-	-	-	-	-	-
370: Outside Services	456,457	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	(553,630)	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	4,126	-	-	-	-	-	-
922: Minor Material Load	20,898	-	-	-	-	-	-
925: E&S Loads	40,407	-	-	-	-	-	-
926: A&G Loads	33,175	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(109,867)	-	-	-	-	-	-
825: Closing Cost of Removal	(35,690)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: 60003126 Project Lola

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	-
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	144,125
370: Outside Services	-	-	-	456,457
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	(553,630)
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	-
914: Pension and Benefits	-	-	-	-
915: Injuries and Damages	-	-	-	-
921: Stores Load	-	-	-	4,126
922: Minor Material Load	-	-	-	20,898
925: E&S Loads	-	-	-	40,407
926: A&G Loads	-	-	-	33,175
928: AFUDC Debt	-	-	-	-
929: AFUDC Equity	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(109,867)
825: Closing Cost of Removal	-	-	-	(35,690)
Project Net	-	-	-	-

Project No: 60003126 Project Lola

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	144,125	-	-	-	144,125	-	-	-
370: Outside Services	456,457	-	-	-	456,457	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	(553,630)	-	-	-	(553,630)	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	4,126	-	-	-	4,126	-	-	-
922: Minor Material Load	20,898	-	-	-	20,898	-	-	-
925: E&S Loads	40,407	-	-	-	40,407	-	-	-
926: A&G Loads	33,175	-	-	-	33,175	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(109,867)	-	-	-	(109,867)	-	-	-
825: Closing Cost of Removal	(35,690)	-	-	-	(35,690)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60003126** **Project Lola**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	144,125
370: Outside Services	-	-	-	-	-	-	456,457
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	(553,630)
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	4,126
922: Minor Material Load	-	-	-	-	-	-	20,898
925: E&S Loads	-	-	-	-	-	-	40,407
926: A&G Loads	-	-	-	-	-	-	33,175
928: AFUDC Debt	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(109,867)
825: Closing Cost of Removal	-	-	-	-	-	-	(35,690)
Project Net	-	-	-	-	-	-	-

Project No: **60003621** **Distr Comm Improvement 2021-2025**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Total System 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 12/31/2030

Description

This project is part of a continuing effort to upgrade PNM's telecommunications systems to support increased monitoring of the distribution system. The project will increase the number of supervisory control and data acquisition (SCADA) collection points throughout metro Albuquerque, which will reduce the number of substations per collection point (SCADA repeater). SCADA is the control system architecture comprised of computers, networked data communications and graphical user interfaces for the high level supervision, monitoring, and control of remote electrical stations. A SCADA repeater is necessary in some of these areas to ensure the signal path's integrity from beginning to end.

Project No: **60003621** **Distr Comm Improvement 2021-2025**

Project Need Justification

These upgrades will reduce the impact of SCADA outages, and reduce the number of outages, by allowing communications personnel to respond to site issues before an outage occurs. The project will also provide monitoring of existing SCADA sites.

Project No: **60003621** **Distr Comm Improvement 2021-2025**

Project Alternatives

The only alternative is to do nothing. This option would continue the status quo of risks of outages to the SCADA system, which cause a loss of monitoring and control over the distribution system and, in some cases, the loss of monitoring of the transmission system.

Project No: **60003621** **Distr Comm Improvement 2021-2025**

Project Estimate Approach

Project costs were determined by evaluating distribution SCADA and end of life components. Each site's components were evaluated for redundant paths and equipment. In addition, PNM Engineering labor plus an external review engineer will be provided for each site, and internal PNM labor will be utilized to construct, install, commission new materials and remove the obsolete materials. This portion assumed 120 man-hours per site. Project Management was contracted to order/secure materials.

Project No: **60003621** **Distr Comm Improvement 2021-2025**

Customer Benefit	Customers will see a reduction in the duration of outages as PNM will be better able to monitor the load on its distribution system and make adjustments as needed to avoid equipment failures and other issues that could result outages.

Project No:	**60003621**	**Distr Comm Improvement 2021-2025**
Primary Value Driver	Reliability & Resiliency	
Compliance		
Customer Delivery	PNM will be better able to monitor the load on its distribution system and make adjustments based on estimated growth across the distribution system and to identify potential trouble spots on the system in advance. This effort will also increase the reliability of the distribution system and will reduce customer outages.	
Energy Transition		

Project No: **60003621** **Distr Comm Improvement 2021-2025**

General Services

Reliability & Resiliency

PNM will be better able to monitor the load on its distribution system and make adjustments as needed to avoid equipment failures and other issues that could result in outages. The additional visibility into system conditions should also reduce the amount of time needed to identify the cause of and address system interruptions.

Safety & Security

Technology Advancements

Project No: 60003621 Distr Comm Improvement 2021-2025

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	59,190	-	-	-	-	-	-	59,190
120: Overtime-General	2,911	-	-	-	-	-	-	2,911
350: Material Issues-Major	217,033	-	-	-	-	-	-	217,033
370: Outside Services	60,434	8,333	8,333	8,333	8,333	8,333	8,333	110,434
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	14,326	-	-	-	-	-	-	14,326
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	4,778	-	-	-	-	-	-	4,778
914: Pension and Benefits	12,180	-	-	-	-	-	-	12,180
915: Injuries and Damages	9,817	-	-	-	-	-	-	9,817
921: Stores Load	5,194	-	-	-	-	-	-	5,194
922: Minor Material Load	27	-	-	-	-	-	-	27
925: E&S Loads	30,195	542	542	542	542	542	542	33,445
926: A&G Loads	17,607	433	433	433	433	433	433	20,207
928: AFUDC Debt	7,327	431	454	478	502	525	549	10,266
929: AFUDC Equity	10,062	459	484	509	535	560	586	13,194
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(261,994)	-	-	-	-	-	(228,229)	(490,222)
825: Closing Cost of Removal	(11,062)	-	-	-	-	-	(11,719)	(22,781)
Project Net	178,027	10,198	10,246	10,295	10,344	10,394	(229,505)	-

Project No: **60003621** **Distr Comm Improvement 2021-2025**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	59,190	-	-	-	-	-	-
120: Overtime-General	2,911	-	-	-	-	-	-
350: Material Issues-Major	217,033	-	-	-	-	-	-
370: Outside Services	110,434	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	14,326	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	4,778	-	-	-	-	-	-
914: Pension and Benefits	12,180	-	-	-	-	-	-
915: Injuries and Damages	9,817	-	-	-	-	-	-
921: Stores Load	5,194	-	-	-	-	-	-
922: Minor Material Load	27	-	-	-	-	-	-
925: E&S Loads	33,445	-	-	-	-	-	-
926: A&G Loads	20,207	-	-	-	-	-	-
928: AFUDC Debt	10,266	-	-	-	-	-	-
929: AFUDC Equity	13,194	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(490,222)	-	-	-	-	-	-
825: Closing Cost of Removal	(22,781)	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-

Project No: **60003621** **Distr Comm Improvement 2021-2025**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	59,190
120: Overtime-General	-	-	-	2,911
350: Material Issues-Major	-	-	-	217,033
370: Outside Services	-	-	-	110,434
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	14,326
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	4,778
914: Pension and Benefits	-	-	-	12,180
915: Injuries and Damages	-	-	-	9,817
921: Stores Load	-	-	-	5,194
922: Minor Material Load	-	-	-	27
925: E&S Loads	-	-	-	33,445
926: A&G Loads	-	-	-	20,207
928: AFUDC Debt	-	-	-	10,266
929: AFUDC Equity	-	-	-	13,194
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(490,222)
825: Closing Cost of Removal	-	-	-	(22,781)
Project Net	-	-	-	-

Project No: 60003621 Distr Comm Improvement 2021-2025

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	59,190	-	-	-	59,190	-	-	-
120: Overtime-General	2,911	-	-	-	2,911	-	-	-
350: Material Issues-Major	217,033	-	-	-	217,033	-	-	-
370: Outside Services	110,434	-	-	-	110,434	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	14,326	-	-	-	14,326	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	4,778	-	-	-	4,778	-	-	-
914: Pension and Benefits	12,180	-	-	-	12,180	-	-	-
915: Injuries and Damages	9,817	-	-	-	9,817	-	-	-
921: Stores Load	5,194	-	-	-	5,194	-	-	-
922: Minor Material Load	27	-	-	-	27	-	-	-
925: E&S Loads	33,445	-	-	-	33,445	-	-	-
926: A&G Loads	20,207	-	-	-	20,207	-	-	-
928: AFUDC Debt	10,266	-	-	-	10,266	-	-	-
929: AFUDC Equity	13,194	-	-	-	13,194	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(490,222)	-	-	-	(490,222)	-	-	-
825: Closing Cost of Removal	(22,781)	-	-	-	(22,781)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60003621** **Distr Comm Improvement 2021-2025**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	59,190
120: Overtime-General	-	-	-	-	-	-	2,911
350: Material Issues-Major	-	-	-	-	-	-	217,033
370: Outside Services	-	-	-	-	-	-	110,434
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	14,326
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	4,778
914: Pension and Benefits	-	-	-	-	-	-	12,180
915: Injuries and Damages	-	-	-	-	-	-	9,817
921: Stores Load	-	-	-	-	-	-	5,194
922: Minor Material Load	-	-	-	-	-	-	27
925: E&S Loads	-	-	-	-	-	-	33,445
926: A&G Loads	-	-	-	-	-	-	20,207
928: AFUDC Debt	-	-	-	-	-	-	10,266
929: AFUDC Equity	-	-	-	-	-	-	13,194
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(490,222)
825: Closing Cost of Removal	-	-	-	-	-	-	(22,781)
Project Net	-	-	-	-	-	-	-

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Total System 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2028

Description

This project consists of replacement of existing, outdated relays in distribution substation switchgear in high fire areas to avoid potential restriking, reduce tripping times, to reduce arcing and sparking potential for ignition in these areas. Existing electromechanical relays will be replaced with new microprocessor relays that allow for additional protection schemes, such as directional protection.

Project No: 60003625 Distribution HFA Feeder Relay Rplc

Project Need Justification

This project is crucial for reducing the risk of fires caused by aging/ outdated protective devices in High Fire Areas (HFA). As protective devices age, they become more susceptible to a breakdown in performance due to old technology. Outdated, damaged devices can fail, leading to larger and longer outages, potential fire hazards, and longer Public Safety Power Shutoff times. By replacing these compromised protective devices, we can significantly enhance the safety and reliability of PNM's system, ensuring compliance with HFA standards, protecting both the public and our employees from fire-related risks, and decreasing Public Safety Power Shutoff (PSPS) restoration times.

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

Project Alternatives

The alternative to proactive replacement of aging relays in high fire risk areas is to replace relays only after they've failed. This will result in larger and longer outages as larger zones of protection would need to operate. This means longer fault clearing times which increase the risk of fire ignition in these areas as well as the risk of additional equipment failure/damage and of injury to employees or the public.

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

Project Estimate Approach	The project estimate was created using historical data from similar projects and recent equipment costs. This project is highly standardized, helping ensure consistency in costs.

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

Customer Benefit	Modern relays reduce fault clearing times, reducing the risk of a fire ignition, safety to the public, and additional costly equipment failures/damage. Modern relays also have a lower likelihood of failure than aging, obsolete relays, reducing the size and duration of outages by clearing faults quickly and in a coordinated fashion.

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

General Services

Reliability & Resiliency

Modern relays reduce fault clearing times, reducing the risk of a fire ignition, safety to the public, and additional costly equipment failures/damage. Modern relays also have a lower likelihood of failure than aging, obsolete relays. This should result in lower SAIDI minutes by clearing faults quickly and in a coordinated fashion reducing the size and duration of outages.

Safety & Security

Modern relays reduce fault clearing times, reducing the risk of a fire ignition, safety to the public, and additional costly equipment failures/damage. Modern relays also have a lower likelihood of failure than aging, obsolete relays. This reduces the risk of injury to personnel or the public by clearing faults quickly and in a coordinated fashion reducing the size and duration of outages.

Technology Advancements

Project No: 60003625 Distribution HFA Feeder Relay Rplc

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	200,692	-	-	18,852	-	-	-	219,544
120: Overtime-General	56,801	-	-	-	-	-	-	56,801
350: Material Issues-Major	603,540	-	-	-	-	-	-	603,540
370: Outside Services	1,672,520	9,426	-	-	-	-	-	1,681,946
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	63,627	-	-	-	-	-	-	63,627
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	19,791	-	-	1,437	-	-	-	21,227
914: Pension and Benefits	45,554	-	-	3,508	-	-	-	49,062
915: Injuries and Damages	51,343	-	-	3,733	-	-	-	55,076
921: Stores Load	18,992	-	-	-	-	-	-	18,992
922: Minor Material Load	18,533	-	-	-	-	-	-	18,533
925: E&S Loads	151,095	613	-	1,789	-	-	-	153,497
926: A&G Loads	125,594	490	-	980	-	-	-	127,065
928: AFUDC Debt	21,234	3,827	3,858	3,913	-	-	-	32,831
929: AFUDC Equity	16,191	4,078	4,112	4,170	-	-	-	28,551
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(1,514,221)	-	-	(1,613,214)	-	-	-	(3,127,435)
825: Closing Cost of Removal	-	-	-	(2,858)	-	-	-	(2,858)
Project Net	1,551,287	18,433	7,970	(1,577,690)	-	-	-	0

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	219,544	-	-	-	-	-	-
120: Overtime-General	56,801	-	-	-	-	-	-
350: Material Issues-Major	603,540	-	-	-	-	-	-
370: Outside Services	1,681,946	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	63,627	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	21,227	-	-	-	-	-	-
914: Pension and Benefits	49,062	-	-	-	-	-	-
915: Injuries and Damages	55,076	-	-	-	-	-	-
921: Stores Load	18,992	-	-	-	-	-	-
922: Minor Material Load	18,533	-	-	-	-	-	-
925: E&S Loads	153,497	-	-	-	-	-	-
926: A&G Loads	127,065	-	-	-	-	-	-
928: AFUDC Debt	32,831	-	-	-	-	-	-
929: AFUDC Equity	28,551	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(3,127,435)	-	-	-	-	-	-
825: Closing Cost of Removal	(2,858)	-	-	-	-	-	-
Project Net	0	-	-	-	-	-	-

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	219,544
120: Overtime-General	-	-	-	56,801
350: Material Issues-Major	-	-	-	603,540
370: Outside Services	-	-	-	1,681,946
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	63,627
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	21,227
914: Pension and Benefits	-	-	-	49,062
915: Injuries and Damages	-	-	-	55,076
921: Stores Load	-	-	-	18,992
922: Minor Material Load	-	-	-	18,533
925: E&S Loads	-	-	-	153,497
926: A&G Loads	-	-	-	127,065
928: AFUDC Debt	-	-	-	32,831
929: AFUDC Equity	-	-	-	28,551
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(3,127,435)
825: Closing Cost of Removal	-	-	-	(2,858)
Project Net	-	-	-	0

Project No: 60003625 Distribution HFA Feeder Relay Rplc

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	219,544	-	-	-	219,544	-	-	-
120: Overtime-General	56,801	-	-	-	56,801	-	-	-
350: Material Issues-Major	603,540	-	-	28,369	631,909	-	-	-
370: Outside Services	1,681,946	-	-	42,097	1,724,043	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	63,627	-	-	-	63,627	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	21,227	-	-	-	21,227	-	-	-
914: Pension and Benefits	49,062	-	-	-	49,062	-	-	-
915: Injuries and Damages	55,076	-	-	-	55,076	-	-	-
921: Stores Load	18,992	-	-	4,757	23,749	-	-	-
922: Minor Material Load	18,533	-	-	-	18,533	-	-	-
925: E&S Loads	153,497	-	-	4,933	158,430	-	-	-
926: A&G Loads	127,065	-	-	2,642	129,707	-	-	-
928: AFUDC Debt	32,831	-	-	86	32,917	-	-	-
929: AFUDC Equity	28,551	-	-	116	28,667	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(3,127,435)	-	-	(77,204)	(3,204,639)	-	-	-
825: Closing Cost of Removal	(2,858)	-	-	(5,796)	(8,654)	-	-	-
Project Net	0	-	-	(0)	(0)	-	-	-

Project No: **60003625** **Distribution HFA Feeder Relay Rplc**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	219,544
120: Overtime-General	-	-	-	-	-	-	56,801
350: Material Issues-Major	-	-	-	-	-	-	631,909
370: Outside Services	-	-	-	-	-	-	1,724,043
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	63,627
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	21,227
914: Pension and Benefits	-	-	-	-	-	-	49,062
915: Injuries and Damages	-	-	-	-	-	-	55,076
921: Stores Load	-	-	-	-	-	-	23,749
922: Minor Material Load	-	-	-	-	-	-	18,533
925: E&S Loads	-	-	-	-	-	-	158,430
926: A&G Loads	-	-	-	-	-	-	129,707
928: AFUDC Debt	-	-	-	-	-	-	32,917
929: AFUDC Equity	-	-	-	-	-	-	28,667
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(3,204,639)
825: Closing Cost of Removal	-	-	-	-	-	-	(8,654)
Project Net	-	-	-	-	-	-	(0)

Project No: **60003825** **Valencia Distribution Feeders**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County % San Miguel 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 5/31/2028

Description

Rebuild and reconfigure the distribution feeders associated with the Valencia Substation to support the complete rebuild of the substation and continued distribution service to the Las Vegas area. Work will include detailed engineering, land and environmental support, material procurement, construction, testing, commissioning, and associated modifications required to transition the existing distribution system to the rebuilt substation.

Project No: **60003825** **Valencia Distribution Feeders**

Project Need Justification

Distribution Planning identified the need to completely rebuild the Valencia Substation and associated distribution facilities serving the Las Vegas area. The feeder improvements are necessary to integrate the rebuilt substation with the existing distribution system, maintain adequate system configuration and capacity, and provide reliable distribution service following completion of the substation improvements.

Project No: **60003825** **Valencia Distribution Feeders**

Project Alternatives

Alternatives include maintaining the existing distribution configuration or evaluating alternate feeder configurations to serve the area. Continuing with the existing configuration is not recommended because it does not support the rebuilt Valencia Substation or lthe ong-term distribution system requirements for the Las Vegas area. The final feeder configuration will be based on engineering, system planning, constructability, land, and environmental considerations.

Project No: **60003825** **Valencia Distribution Feeders**

Project Estimate Approach	The capital estimate was developed from the scope, engineering, land, and environmental evaluations completed during project development. It covers detailed engineering, permitting and land requirements, material procurement, construction, testing and commissioning, project management and the other support necessary to place the rebuilt distribution facilities in service.

Project No: **60003825** **Valencia Distribution Feeders**

Customer Benefit	Provides customers in the Las Vegas area with a distribution system configured to support the rebuilt Valencia Substation, improving long-term reliability, system capability, and the ability to maintain dependable electric service.

Project No:	**60003825 Valencia Distribution Feeders**
Primary Value Driver	Reliability & Resiliency
Compliance	This project aligns with PNM's commitment to comply with Rule NMAC 17.9.560.15 Quality of Service, which mandates the utility make reasonable efforts to avoid and minimize interruptions to electric service.
Customer Delivery	
Energy Transition	

Project No: **60003825** **Valencia Distribution Feeders**

General Services

Reliability & Resiliency

Allows for more feeders to help support load transfers during unforeseen outages.

Safety & Security

Technology Advancements

Project No: 60003825 Valencia Distribution Feeders

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	-	-	-	-	-	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	-	-
370: Outside Services	-	-	-	-	-	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	-	-
914: Pension and Benefits	-	-	-	-	-	-	-	-
915: Injuries and Damages	-	-	-	-	-	-	-	-
921: Stores Load	-	-	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	-	-	-	-	-
926: A&G Loads	-	-	-	-	-	-	-	-
928: AFUDC Debt	-	-	-	-	-	-	-	-
929: AFUDC Equity	-	-	-	-	-	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: **60003825** **Valencia Distribution Feeders**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	-	-	-	2,000	2,000	2,000	2,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	492,495	492,495	492,495
370: Outside Services	-	-	-	699,586	648,000	230,409	488,836
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	165	165	165	165
914: Pension and Benefits	-	-	-	380	380	380	380
915: Injuries and Damages	-	-	-	379	379	379	379
921: Stores Load	-	-	-	-	82,582	82,582	82,582
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	-	-	-	49,176	80,039	50,808	68,898
926: A&G Loads	-	-	-	26,309	42,844	27,184	36,875
928: AFUDC Debt	-	-	-	805	3,010	5,339	7,497
929: AFUDC Equity	-	-	-	1,089	4,072	7,222	10,142
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	-
825: Closing Cost of Removal	-	-	-	-	-	-	-
Project Net	-	-	-	779,889	1,355,966	898,962	1,190,249

Project No: **60003825** **Valencia Distribution Feeders**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	2,000	2,000	2,000	14,000
120: Overtime-General	-	-	-	-
350: Material Issues-Major	492,493	-	-	1,969,978
370: Outside Services	321,427	321,427	321,431	3,031,116
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	165	165	165	1,156
914: Pension and Benefits	380	380	380	2,659
915: Injuries and Damages	379	379	379	2,654
921: Stores Load	82,581	-	-	330,326
922: Minor Material Load	-	-	-	-
925: E&S Loads	57,179	22,705	22,705	351,509
926: A&G Loads	30,597	12,129	12,129	188,066
928: AFUDC Debt	9,771	11,215	12,017	49,654
929: AFUDC Equity	13,219	15,172	16,257	67,174
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	-
825: Closing Cost of Removal	-	-	-	-
Project Net	1,010,191	385,572	387,463	6,008,293

Project No: **60003825** **Valencia Distribution Feeders**

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	14,000	2,000	2,000	2,000	20,000	2,000	1,000	1,000
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	1,969,978	-	-	-	1,969,978	-	-	-
370: Outside Services	3,031,116	321,427	321,427	321,427	3,995,397	321,427	54,000	34,000
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,156	165	165	165	1,652	165	83	83
914: Pension and Benefits	2,659	380	380	380	3,798	380	190	190
915: Injuries and Damages	2,654	379	379	379	3,792	379	190	190
921: Stores Load	330,326	-	-	-	330,326	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	351,509	22,705	22,705	22,705	419,623	22,705	3,882	2,482
926: A&G Loads	188,066	12,129	12,129	12,129	224,452	11,352	1,931	1,229
928: AFUDC Debt	49,654	12,824	13,634	14,449	90,560	10,509	10,994	11,157
929: AFUDC Equity	67,174	17,348	18,445	19,547	122,513	16,580	17,345	17,603
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	(2,043,757)	(2,043,757)	-	-	-
825: Closing Cost of Removal	-	-	-	(148,935)	(148,935)	-	-	-
Project Net	6,008,293	389,356	391,263	(1,799,513)	4,989,399	385,497	89,613	67,933

Project No: **60003825** **Valencia Distribution Feeders**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	1,000	-	-	-	-	-	25,000
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	1,969,978
370: Outside Services	49,000	-	-	-	-	-	4,453,824
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	83	-	-	-	-	-	2,065
914: Pension and Benefits	190	-	-	-	-	-	4,748
915: Injuries and Damages	190	-	-	-	-	-	4,740
921: Stores Load	-	-	-	-	-	-	330,326
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	3,532	-	-	-	-	-	452,225
926: A&G Loads	1,755	-	-	-	-	-	240,718
928: AFUDC Debt	11,316	-	-	-	-	-	134,536
929: AFUDC Equity	17,854	-	-	-	-	-	191,894
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(5,242,442)	-	-	-	-	-	(7,286,200)
825: Closing Cost of Removal	(374,919)	-	-	-	-	-	(523,854)
Project Net	(5,532,441)	-	-	-	-	-	0

Project No: **60004325** **Zia 46kV Relay Replacement**

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County %		
	Santa Fe	75%
	Sandoval	25%

Estimated Start Date 6/1/2025

Estimated Completion Date 12/31/2028

Description

This project involves replacing several aged and obsolete relays on the 46kV relays at Zia, including the lines, buses, and transformers. The existing obsolete electromechanical relays will be replaced with modern electromechanical relays that can accommodate additional protection schemes and include redundancy.

Project No: 60004325 Zia 46kV Relay Replacement

Project Need Justification

The protective relays and associated equipment to be replaced as part of this project are currently obsolete. They are no longer supported by manufacturers and therefore cannot be repaired. Functionally obsolete equipment compromises the reliability of the grid, and the safety of PNM personnel and the public and therefore needs to be replaced. A failed relay might mean unprotected infrastructure. During a fault, additional areas of protection would need to operate, making outages larger and longer in duration.

Project No: **60004325** **Zia 46kV Relay Replacement**

Project Alternatives	The only alternative to this project is to do nothing. Under this approach, the relays would operate until failure - which creates the risk of damage to other equipment, outages, etc. Therefore, rather than operate relays until they fail, they will be replaced.

Project No: **60004325** **Zia 46kV Relay Replacement**

Project Estimate Approach	The project estimate was created using historical data on similar projects and current relay panel costs.

Project No: 60004325 Zia 46kV Relay Replacement

Customer Benefit	By addressing obsolete relays and related equipment, PNM can ensure system reliability. Failed relays in service increase the risk of injury to personnel and the public by having unprotected infrastructure. Proactive replacement of relays prevents longer and larger outages for the customers being served from the Zia 46kV system including the NM roundhouse and portions of Santa Fe and Cochiti and Santo Domingo Pueblos.

Project No: **60004325 Zia 46kV Relay Replacement**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **60004325 Zia 46kV Relay Replacement**

General Services

Reliability & Resiliency

By addressing obsolete relays and related equipment, PNM can ensure system reliability. Proactive replacement of relays prevents longer and larger outages for the customers being served from the Zia 46kV system include the NM roundhouse and portions of Santa Fe and Cochiti and Santo Domingo Pueblos.

Safety & Security

Failed relays in service increase the risk of injury to personnel and the public by having unprotected infrastructure.

Technology Advancements

Project No: 60004325 Zia 46kV Relay Replacement

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	16,553	-	-	-	-	-	-	16,553
120: Overtime-General	6,217	-	-	-	-	-	-	6,217
350: Material Issues-Major	1,226,434	-	255,127	45,000	45,000	139,715	90,000	1,801,276
370: Outside Services	489,130	58,383	102,865	88,844	47,093	152,885	373,213	1,312,413
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	1,583	-	-	-	-	-	-	1,583
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	6,615	-	-	-	-	-	-	6,615
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,747	-	-	-	-	-	-	1,747
914: Pension and Benefits	4,010	-	-	-	-	-	-	4,010
915: Injuries and Damages	4,534	-	-	-	-	-	-	4,534
921: Stores Load	11,304	-	58,138	10,255	10,255	31,838	20,509	142,299
922: Minor Material Load	65	-	-	-	-	-	-	65
925: E&S Loads	119,161	3,795	23,269	8,700	5,986	19,019	30,109	210,039
926: A&G Loads	95,466	3,036	18,616	6,960	4,789	15,215	24,087	168,169
928: AFUDC Debt	38,370	5,053	1,195	1,910	2,233	2,785	3,828	55,374
929: AFUDC Equity	29,436	5,385	1,274	2,035	2,379	2,968	4,079	47,557
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	(1,820,653)	-	-	-	-	-	(1,820,653)
825: Closing Cost of Removal	-	(29,207)	-	-	-	-	-	(29,207)
Project Net	2,050,624	(1,774,208)	460,485	163,704	117,735	364,426	545,825	1,928,590

Project No: **60004325** **Zia 46kV Relay Replacement**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	16,553	-	-	-	-	-	-
120: Overtime-General	6,217	-	-	-	-	-	-
350: Material Issues-Major	1,801,276	90,000	90,000	-	-	35,000	-
370: Outside Services	1,312,413	453,831	318,526	320,983	320,983	352,328	57,000
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	1,583	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	6,615	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	1,747	-	-	-	-	-	-
914: Pension and Benefits	4,010	-	-	-	-	-	-
915: Injuries and Damages	4,534	-	-	-	-	-	-
921: Stores Load	142,299	15,091	15,091	-	-	5,869	-
922: Minor Material Load	65	-	-	-	-	-	-
925: E&S Loads	210,039	38,068	28,597	22,469	22,469	27,113	3,990
926: A&G Loads	168,169	20,394	15,320	12,037	12,037	14,525	2,138
928: AFUDC Debt	55,374	4,666	5,813	4,860	5,621	6,468	7,018
929: AFUDC Equity	47,557	6,312	7,864	6,575	7,605	8,751	9,494
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(1,820,653)	-	(824,740)	-	-	-	(3,199,896)
825: Closing Cost of Removal	(29,207)	-	(56,327)	-	-	-	(222,531)
Project Net	1,928,590	628,363	(399,856)	366,924	368,715	450,054	(3,342,788)

Project No: **60004325** **Zia 46kV Relay Replacement**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	16,553
120: Overtime-General	-	-	-	6,217
350: Material Issues-Major	-	-	-	2,016,276
370: Outside Services	57,000	7,000	7,000	3,207,064
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	1,583
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	6,615
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	1,747
914: Pension and Benefits	-	-	-	4,010
915: Injuries and Damages	-	-	-	4,534
921: Stores Load	-	-	-	178,351
922: Minor Material Load	-	-	-	65
925: E&S Loads	3,990	490	490	357,714
926: A&G Loads	2,138	263	263	247,281
928: AFUDC Debt	65	139	156	90,180
929: AFUDC Equity	88	188	211	94,645
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(5,845,289)
825: Closing Cost of Removal	-	-	-	(308,065)
Project Net	63,281	8,080	8,119	79,480

Project No: 60004325 Zia 46kV Relay Replacement

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	16,553	-	-	-	16,553	-	-	-
120: Overtime-General	6,217	-	-	-	6,217	-	-	-
350: Material Issues-Major	2,016,276	-	-	-	2,016,276	-	35,000	70,000
370: Outside Services	3,207,064	7,000	7,000	21,000	3,242,064	72,583	174,167	174,167
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	1,583	-	-	-	1,583	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	6,615	-	-	-	6,615	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	1,747	-	-	-	1,747	-	-	-
914: Pension and Benefits	4,010	-	-	-	4,010	-	-	-
915: Injuries and Damages	4,534	-	-	-	4,534	-	-	-
921: Stores Load	178,351	-	-	-	178,351	-	5,869	11,738
922: Minor Material Load	65	-	-	-	65	-	-	-
925: E&S Loads	357,714	490	490	1,470	360,164	5,081	14,642	17,092
926: A&G Loads	247,281	263	263	788	248,593	2,548	7,342	8,570
928: AFUDC Debt	90,180	173	190	223	90,765	324	648	1,178
929: AFUDC Equity	94,645	234	256	301	95,437	512	1,022	1,858
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(5,845,289)	-	-	-	(5,845,289)	-	-	-
825: Closing Cost of Removal	(308,065)	-	-	-	(308,065)	-	-	-
Project Net	79,480	8,159	8,199	23,781	119,618	81,048	238,690	284,602

Project No: **60004325** **Zia 46kV Relay Replacement**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	16,553
120: Overtime-General	-	-	-	-	-	-	6,217
350: Material Issues-Major	70,000	35,000	-	-	-	-	2,226,276
370: Outside Services	122,583	72,583	72,583	65,583	65,583	65,583	4,127,479
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	1,583
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	6,615
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	1,747
914: Pension and Benefits	-	-	-	-	-	-	4,010
915: Injuries and Damages	-	-	-	-	-	-	4,534
921: Stores Load	11,738	5,869	-	-	-	-	213,563
922: Minor Material Load	-	-	-	-	-	-	65
925: E&S Loads	13,481	7,531	5,081	4,591	4,591	4,591	436,844
926: A&G Loads	6,760	3,776	2,548	2,302	2,302	2,302	287,042
928: AFUDC Debt	1,698	2,062	2,281	2,449	2,610	2,771	106,786
929: AFUDC Equity	2,679	3,253	3,599	3,864	4,117	4,372	120,713
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,845,289)
825: Closing Cost of Removal	-	-	-	-	-	-	(308,065)
Project Net	228,937	130,073	86,092	78,788	79,203	79,620	1,406,671

Project No: 60005220 Palomas Station-Distribution

Company: 001 Electric Services
Location: 600 Electric System

Project Information

County %	Bernalillo	100%	

Estimated Start Date 6/1/2020

Estimated Completion Date 10/31/2029

Description

PNM plans on building a three breaker, two unit substation in the northeast area of Albuquerque, NM. The project includes the new substation, two transformers, upgraded distribution and a new 115kV transmission line. This project consists of the distribution portion of these facilities.

Project No: **60005220** **Palomas Station-Distribution**

Project Need Justification

Current PNM substations and feeders currently serving the target area for this substation are at or exceeding capacity. There has been significant growth in this area with the addition of both residential and commercial development. From 2002 to the 2009 peak, the area load increased by approximately 19 MVA. From 2009 to the 2020 peak, the load has grown an additional 10.8 MVA, which is on track for the projected load growth and brings the current total load in the area to 29.8 MVA.

Project No: **60005220** **Palomas Station-Distribution**

Project Alternatives

Project alternatives were reviewed through distribution planning studies. Out of several alternatives studied, a new substation is the most effective solution in dealing with today's overloads and providing for future growth in the area. One alternative studied consisted of replacement of the Transformers at the existing Tramway and Hamilton stations and addition of a third transformer at the Hamilton substation. However, this alternative did not improve transmission line reliability and was of higher cost as it also required significant express distribution feeders and voltage regulators to serve the extent of the risk area. Another alternative involved a new substation located further south, where the existing transmission lines are located. However, this solution also required the express feeders described above.

Project No: **60005220** **Palomas Station-Distribution**

Project Estimate Approach	The estimate includes the costs to design, procure, and build. Quotes were obtained for the major equipment, miscellaneous materials, and contracted labor. Estimating models from previous installations were also used to determine pricing for the internal labor resources needed for the current project scope. Once the project team had a final amount for all material, internal and external labor, they used a 10% contingency.

Project No: **60005220** **Palomas Station-Distribution**

Customer Benefit	This project will benefit customers by providing expanded system capacity, improved reliability, and additional support for economic growth while minimizing future service impacts and construction challenges. This investment helps position the electric system to continue providing safe, reliable, and resilient service to customers in the North Albuquerque Acres area.

Project No: **60005220** **Palomas Station-Distribution**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **60005220** **Palomas Station-Distribution**

General Services

Reliability & Resiliency

The future substation will provide additional system capacity, improve grid resiliency, and support new customer connections, helping ensure safe, reliable, and cost-effective service for both existing and future customers. The new substation will reduce the risk of needing to shed load during high load times and will also reduce the stress on existing equipment.

Safety & Security

Technology Advancements

Project No: 60005220 Palomas Station-Distribution

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	289,536	9,287	9,287	9,287	9,287	9,287	9,287	345,256
120: Overtime-General	4,336	-	-	-	-	-	-	4,336
350: Material Issues-Major	2,811,599	-	-	-	-	-	-	2,811,599
370: Outside Services	897,089	5,572	5,572	5,572	5,572	5,572	5,572	930,521
374: Outside Services Legal	95,119	9,287	9,287	9,287	9,287	9,287	9,287	150,839
377: Outside Svcs-Temp Labor	237	-	-	-	-	-	-	237
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	69,379	-	-	-	-	-	-	69,379
805: Land and Land Rights	1,718,149	-	-	-	-	-	-	1,718,149
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	27,623	708	708	708	708	708	708	31,869
914: Pension and Benefits	73,713	1,728	1,728	1,728	1,728	1,728	1,728	84,082
915: Injuries and Damages	46,971	1,839	1,839	1,839	1,839	1,839	1,839	58,003
921: Stores Load	68,219	-	-	-	-	-	-	68,219
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	131,672	1,847	1,847	1,847	1,847	1,847	1,847	142,756
926: A&G Loads	193,183	1,256	1,256	1,256	1,256	1,256	1,256	200,716
928: AFUDC Debt	663,324	17,773	17,154	17,313	17,474	17,635	17,797	768,469
929: AFUDC Equity	711,811	18,941	18,281	18,452	18,623	18,795	18,968	823,870
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(611,153)	(316,964)	-	-	-	-	-	(928,117)
825: Closing Cost of Removal	-	(96)	-	-	-	-	-	(96)
Project Net	7,190,807	(248,824)	66,958	67,288	67,619	67,953	68,288	7,280,088

Project No: **60005220** **Palomas Station-Distribution**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	345,256	-	-	-	-	-	-
120: Overtime-General	4,336	-	-	-	-	-	-
350: Material Issues-Major	2,811,599	-	-	-	-	-	-
370: Outside Services	930,521	-	-	-	-	-	-
374: Outside Services Legal	150,839	10,000	10,000	10,000	10,000	10,000	-
377: Outside Svcs-Temp Labor	237	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	69,379	-	-	-	-	-	-
805: Land and Land Rights	1,718,149	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	31,869	-	-	-	-	-	-
914: Pension and Benefits	84,082	-	-	-	-	-	-
915: Injuries and Damages	58,003	-	-	-	-	-	-
921: Stores Load	68,219	-	-	-	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	142,756	700	700	700	700	700	-
926: A&G Loads	200,716	375	375	375	375	375	-
928: AFUDC Debt	768,469	16,182	16,289	16,398	16,506	16,616	-
929: AFUDC Equity	823,870	21,891	22,037	22,183	22,330	22,478	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(928,117)	-	-	-	-	(7,511,355)	-
825: Closing Cost of Removal	(96)	-	-	-	-	(17,020)	-
Project Net	7,280,088	49,148	49,401	49,656	49,912	(7,478,205)	-

Project No: **60005220** **Palomas Station-Distribution**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	345,256
120: Overtime-General	-	-	-	4,336
350: Material Issues-Major	-	-	-	2,811,599
370: Outside Services	-	-	-	930,521
374: Outside Services Legal	-	-	-	200,839
377: Outside Svcs-Temp Labor	-	-	-	237
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	69,379
805: Land and Land Rights	-	-	-	1,718,149
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	31,869
914: Pension and Benefits	-	-	-	84,082
915: Injuries and Damages	-	-	-	58,003
921: Stores Load	-	-	-	68,219
922: Minor Material Load	-	-	-	-
925: E&S Loads	-	-	-	146,256
926: A&G Loads	-	-	-	202,591
928: AFUDC Debt	-	-	-	850,460
929: AFUDC Equity	-	-	-	934,790
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(8,439,471)
825: Closing Cost of Removal	-	-	-	(17,116)
Project Net	-	-	-	(0)

Project No: 60005220 Palomas Station-Distribution

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	345,256	-	-	-	345,256	10,000	10,000	10,000
120: Overtime-General	4,336	-	-	-	4,336	-	-	-
350: Material Issues-Major	2,811,599	-	-	-	2,811,599	-	-	-
370: Outside Services	930,521	-	-	-	930,521	6,000	6,000	6,000
374: Outside Services Legal	200,839	-	-	-	200,839	-	-	-
377: Outside Svcs-Temp Labor	237	-	-	-	237	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	69,379	-	-	-	69,379	-	-	-
805: Land and Land Rights	1,718,149	-	-	-	1,718,149	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	31,869	-	-	-	31,869	826	826	826
914: Pension and Benefits	84,082	-	-	-	84,082	1,899	1,899	1,899
915: Injuries and Damages	58,003	-	-	-	58,003	1,896	1,896	1,896
921: Stores Load	68,219	-	-	-	68,219	-	-	-
922: Minor Material Load	-	-	-	-	-	-	-	-
925: E&S Loads	146,256	-	-	-	146,256	1,443	1,443	1,443
926: A&G Loads	202,591	-	-	-	202,591	562	562	562
928: AFUDC Debt	850,460	-	-	-	850,460	23	69	115
929: AFUDC Equity	934,790	-	-	-	934,790	36	109	182
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(8,439,471)	-	-	-	(8,439,471)	-	-	-
825: Closing Cost of Removal	(17,116)	-	-	-	(17,116)	-	-	-
Project Net	(0)	-	-	-	(0)	22,685	22,804	22,923

Project No: **60005220** **Palomas Station-Distribution**

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	10,000	10,000	10,000	10,000	10,000	10,000	435,256
120: Overtime-General	-	-	-	-	-	-	4,336
350: Material Issues-Major	-	-	-	-	-	-	2,811,599
370: Outside Services	42,290	57,783	287,817	287,817	1,506,000	1,526,000	4,656,228
374: Outside Services Legal	-	-	-	-	-	-	200,839
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	237
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	69,379
805: Land and Land Rights	-	-	-	-	-	-	1,718,149
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	826	826	826	826	826	826	39,303
914: Pension and Benefits	1,899	1,899	1,899	1,899	1,899	1,899	101,173
915: Injuries and Damages	1,896	1,896	1,896	1,896	1,896	1,896	75,067
921: Stores Load	-	-	-	-	-	-	68,219
922: Minor Material Load	-	-	-	-	-	-	-
925: E&S Loads	3,984	5,068	21,171	21,171	106,443	107,843	416,266
926: A&G Loads	1,835	2,379	10,453	10,453	53,212	53,914	336,523
928: AFUDC Debt	203	348	770	1,452	3,504	6,955	863,899
929: AFUDC Equity	320	549	1,215	2,291	5,528	10,973	955,993
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(8,439,471)
825: Closing Cost of Removal	-	-	-	-	-	-	(17,116)
Project Net	63,252	80,749	336,047	337,805	1,689,308	1,720,306	4,295,880

Project No: **60005240** **Progress 2 Expansion CO1**

Company: 001 Electric Services
Location: 600 Electric System

Project Information County % Sandoval 100%

Estimated Start Date 4/1/2026

Estimated Completion Date 12/31/2027

Description

This project includes the distribution substation facilities required to serve a new 10MW customer load in the Northern Rio Rancho area. The Project Ranger location is currently served by Progress Feeder 13, but this feeder does not have sufficient capacity to accommodate the full buildout of this new economic development load. A new Progress Substation transformer and a new distribution feeder are required to serve the full buildout load under normal conditions for Project Ranger. This project includes installation of a new 33MVA 115/12.47kV transformer, switchgear, and related equipment. It also includes sectionalizing of the existing Rio Puerto to Pachman 115kV line to prevent a single contingency from taking both units offline.

Project No: 60005240 Progress 2 Expansion CO1

Project Need Justification

The existing 115 kV- 12.47 kV, 33 MVA transformer at Progress Substation had a 2025 peak load of 19,489 kVA, which is 58% of the transformer rating. With the additional 10 MW for full power, the expected peak load will be 29,489 kVA, which is 88% of the transformer rating, which exceeds the distribution planning criteria for max transformer loading of 80%.

Project No: **60005240** **Progress 2 Expansion CO1**

Project Alternatives	The "do nothing" approach is not acceptable as PNM has an obligation to serve. During the detailed planning study, planning engineers evaluate multiple alternatives to determine the most effective, reliable, and cost-efficient solution. Detailed studies compare different system configurations, operating strategies, and infrastructure investments to understand how each option performs under normal and contingency conditions. Potential solutions included extending transmission and building a new substation at the customer site instead of expanding the existing Progress Substation. However, this solution would have been much more expensive.

Project No: **60005240** **Progress 2 Expansion CO1**

Project Estimate Approach	The project estimate was prepared using costs or estimates from similar projects and adjusting for true equipment costs.

Project No: **60005240** **Progress 2 Expansion CO1**

Customer Benefit

This project is critical to serve this new customer and to keep reliable service to existing customers served by Progress substation. The project benefits all customers by supporting economic development and increasing revenue from a significant new customer, which helps spread system costs across a larger customer base.

Project No: **60005240 Progress 2 Expansion CO1**

Primary Value Driver	Customer Delivery
Compliance	
Customer Delivery	This project is critical to serve this new customer and to keep reliable service to existing customers served by Progress substation. The project benefits all customers by supporting economic development and increasing revenue from a significant new customer, which helps spread system costs across a larger customer base.
Energy Transition	

Project No: **60005240** **Progress 2 Expansion CO1**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

Project No: 60005240 Progress 2 Expansion CO1

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	5,855	27,154	27,154	27,154	27,154	27,154	27,154	168,779
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	2,570,973	-	-	196,000	-	-	-	2,766,973
370: Outside Services	-	21,622	115,287	163,453	163,453	163,453	188,380	815,649
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	446	2,069	2,069	2,069	2,069	2,069	2,069	12,861
914: Pension and Benefits	1,071	5,053	5,053	5,053	5,053	5,053	5,053	31,392
915: Injuries and Damages	1,159	5,376	5,376	5,376	5,376	5,376	5,376	33,418
921: Stores Load	73,594	-	-	44,664	-	-	-	118,259
922: Minor Material Load	372,791	-	-	-	-	-	-	372,791
925: E&S Loads	192,087	3,983	10,071	25,942	13,202	13,202	14,822	273,309
926: A&G Loads	147,481	2,536	7,407	20,104	9,912	9,912	11,208	208,559
928: AFUDC Debt	13,836	8,440	8,759	9,563	10,433	11,005	11,612	73,649
929: AFUDC Equity	11,127	8,995	9,335	10,192	11,119	11,729	12,376	74,872
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(4,849,952)	(4,849,952)
825: Closing Cost of Removal	-	-	-	-	-	-	(100,557)	(100,557)
Project Net	3,390,421	85,230	190,512	509,571	247,771	248,953	(4,672,458)	-

Project No: **60005240** **Progress 2 Expansion CO1**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	168,779	27,154	27,154	27,154	27,154	5,000	-
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	2,766,973	-	-	-	-	-	-
370: Outside Services	815,649	185,123	185,123	185,123	210,050	-	-
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	12,861	2,243	2,243	2,243	2,243	413	-
914: Pension and Benefits	31,392	5,157	5,157	5,157	5,157	950	-
915: Injuries and Damages	33,418	5,148	5,148	5,148	5,148	948	-
921: Stores Load	118,259	-	-	-	-	-	-
922: Minor Material Load	372,791	-	-	-	-	-	-
925: E&S Loads	273,309	15,738	15,738	15,738	17,483	512	-
926: A&G Loads	208,559	7,960	7,960	7,960	8,895	188	-
928: AFUDC Debt	73,649	257	773	1,291	1,841	2,144	-
929: AFUDC Equity	74,872	348	1,045	1,747	2,490	2,901	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(4,849,952)	-	-	-	-	(972,466)	-
825: Closing Cost of Removal	(100,557)	-	-	-	-	(72,080)	-
Project Net	-	249,128	250,341	251,561	280,461	(1,031,491)	-

Project No: **60005240** **Progress 2 Expansion CO1**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	-	-	-	282,395
120: Overtime-General	-	-	-	-
350: Material Issues-Major	-	-	-	2,766,973
370: Outside Services	-	-	-	1,581,068
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	-
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	-	-	-	22,246
914: Pension and Benefits	-	-	-	52,967
915: Injuries and Damages	-	-	-	54,960
921: Stores Load	-	-	-	118,259
922: Minor Material Load	-	-	-	372,791
925: E&S Loads	-	-	-	338,517
926: A&G Loads	-	-	-	241,523
928: AFUDC Debt	-	-	-	79,955
929: AFUDC Equity	-	-	-	83,403
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	-	-	-	(5,822,418)
825: Closing Cost of Removal	-	-	-	(172,637)
Project Net	-	-	-	-

Project No: 60005240 Progress 2 Expansion CO1

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	282,395	-	-	-	282,395	-	-	-
120: Overtime-General	-	-	-	-	-	-	-	-
350: Material Issues-Major	2,766,973	-	-	-	2,766,973	-	-	-
370: Outside Services	1,581,068	-	-	-	1,581,068	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	22,246	-	-	-	22,246	-	-	-
914: Pension and Benefits	52,967	-	-	-	52,967	-	-	-
915: Injuries and Damages	54,960	-	-	-	54,960	-	-	-
921: Stores Load	118,259	-	-	-	118,259	-	-	-
922: Minor Material Load	372,791	-	-	-	372,791	-	-	-
925: E&S Loads	338,517	-	-	-	338,517	-	-	-
926: A&G Loads	241,523	-	-	-	241,523	-	-	-
928: AFUDC Debt	79,955	-	-	-	79,955	-	-	-
929: AFUDC Equity	83,403	-	-	-	83,403	-	-	-
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(5,822,418)	-	-	-	(5,822,418)	-	-	-
825: Closing Cost of Removal	(172,637)	-	-	-	(172,637)	-	-	-
Project Net	-	-	-	-	-	-	-	-

Project No: 60005240 Progress 2 Expansion CO1

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	282,395
120: Overtime-General	-	-	-	-	-	-	-
350: Material Issues-Major	-	-	-	-	-	-	2,766,973
370: Outside Services	-	-	-	-	-	-	1,581,068
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	22,246
914: Pension and Benefits	-	-	-	-	-	-	52,967
915: Injuries and Damages	-	-	-	-	-	-	54,960
921: Stores Load	-	-	-	-	-	-	118,259
922: Minor Material Load	-	-	-	-	-	-	372,791
925: E&S Loads	-	-	-	-	-	-	338,517
926: A&G Loads	-	-	-	-	-	-	241,523
928: AFUDC Debt	-	-	-	-	-	-	79,955
929: AFUDC Equity	-	-	-	-	-	-	83,403
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(5,822,418)
825: Closing Cost of Removal	-	-	-	-	-	-	(172,637)
Project Net	-	-	-	-	-	-	-

Project No: 60005324 Distribution Relay Upgrades

Company: 001 Electric Services
Location: 600 Electric System

Project Information

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2029

County %				
Bernalillo	50%	San Miguel	2%	
Santa Fe	18%	Union	2%	
Valencia	13%			
Sandoval	13%			
Los Alamos	2%			

Description

There are many relays on PNM's distribution system that are well past their useful life and do not provide the necessary features required for systems with interconnections to Distributed Energy Resources (DER). There is an existing effort to replace Diode for Alternating Current (DIAC) and Distributed Protection Unit (DPU)/ Transformer Protection Unit (TPU) relays under funding project 60005321. That program is slated to complete the final set of projects in 2024. Only construction is left for 2024. Protection Engineering is projected to start this new effort in 2024 to start with engineering on the new set of projects.

Project No: **60005324** **Distribution Relay Upgrades**

Project Need Justification

Due to the aging equipment on the distribution system, there is a continuing need to carry on with the relay upgrade project to minimize the potential relay failures that could lead to distribution outages and/or disturbances. By replacing the end of life Electromechanical relays with newer microprocessor technology we will have the option to review fault records, communicate with relays via Supervisory Control and Data Aquisition (SCADA), and require less protective equipment due to lower fault current required to trip the new microprocessor relays versus what is required for the outdated existing electromechanical relays we currently have on the system. Reliability, maintenance and efficiency will increase due to a redundant relay scheme that will also be installed to replace the single-relay schemes we currently have.
In addition, replacing the aging and end of life relays with the newer microprocessor style relays will increase the reliability and functionality of PNM's distribution grid. The existing electromechanical relays are at risk of improper performance due to the need for extensive maintenance and no redundancy. Also, the speed of operation is limited by the mechanical inertia of the moving components, which creates reliability issues. Some other benefits of upgrading the relays include performance (sensitivity of speed), reliability (security, selectivity, and dependability), replacement availability, efficiency, economics, safety and compatibility.

Project No: **60005324** **Distribution Relay Upgrades**

Project Alternatives

Other than continuing with the project, the only alternative is to do nothing. Deciding to leave the system as is will result in misoperations, equipment failure, and increases in PNM's System Average Interruption Duration Index (SAIDI) numbers.

Project No: **60005324** **Distribution Relay Upgrades**

Project Estimate Approach	The project estimate was built using historical costs for internal/external labor and materials as well as pricing from the relay vendor.

Project No: **60005324** **Distribution Relay Upgrades**

Customer Benefit

The new SEL relays will allow PNM to continue to provide power to customers, reduce delays of renewable distribution commissioning, and reduce outages due to reverse power flow from too much generation on the feeder. Also, replacing the aging and end of life relays with the newer microprocessor style relays will increase the system's reliability and functionality. The existing relays are at risk of improper performance due to the need for extensive maintenance.

Project No: **60005324** **Distribution Relay Upgrades**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

Project No: **60005324** **Distribution Relay Upgrades**

General Services

Reliability & Resiliency

The replacement of current devices with smart devices improves PNM's reliability, maintenance, and efficiency though the reduction of outages due to reverse power flow from too much generation on the feeder and the reduction of risks of improper performance due to the need for extensive maintenance. These reliability improvements will be reflected in decreasing SAIDI minutes.

Safety & Security

Technology Advancements

Project No: 60005324 Distribution Relay Upgrades

	BegBal-Jul26	Jul26	Aug26	Sep26	Oct26	Nov26	Dec26	EndBal-26
110: Straight Time-General	668,028	-	-	-	-	-	-	668,028
120: Overtime-General	148,867	-	-	-	-	-	-	148,867
350: Material Issues-Major	2,430,769	-	-	-	-	-	-	2,430,769
370: Outside Services	7,745,492	21,016	-	21,016	42,032	42,032	42,032	7,913,620
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	333	333
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	155,390	-	-	-	-	-	-	155,390
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	63,976	-	-	-	-	-	-	63,976
914: Pension and Benefits	150,964	-	-	-	-	-	-	150,964
915: Injuries and Damages	149,655	-	-	-	-	-	-	149,655
921: Stores Load	35,330	-	-	-	-	-	-	35,330
922: Minor Material Load	132	-	-	-	-	-	-	132
925: E&S Loads	791,875	1,366	-	1,366	2,732	2,732	2,754	802,825
926: A&G Loads	533,491	1,093	-	1,093	2,186	2,186	2,203	542,251
928: AFUDC Debt	273,478	15,549	15,655	15,762	15,923	16,111	16,302	368,779
929: AFUDC Equity	205,204	16,571	16,684	16,798	16,970	17,171	17,374	306,771
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(5,998,578)	-	-	-	-	-	(207,017)	(6,205,596)
825: Closing Cost of Removal	(343,667)	-	-	-	-	-	(22,241)	(365,908)
Project Net	7,010,404	55,595	32,339	56,034	79,842	80,232	(148,262)	7,166,184

Project No: **60005324** **Distribution Relay Upgrades**

	BegBal-27	Jan27	Feb27	Mar27	Apr27	May27	Jun27
110: Straight Time-General	668,028	-	14,660	14,660	14,660	14,660	14,660
120: Overtime-General	148,867	-	-	-	-	-	-
350: Material Issues-Major	2,430,769	-	-	-	-	-	-
370: Outside Services	7,913,620	784,916	203,216	301,016	301,016	449,702	194,483
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	333	-	-	-	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	155,390	-	-	-	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	63,976	-	1,211	1,211	1,211	1,211	1,211
914: Pension and Benefits	150,964	-	2,784	2,784	2,784	2,784	2,784
915: Injuries and Damages	149,655	-	2,780	2,780	2,780	2,780	2,780
921: Stores Load	35,330	-	-	-	-	-	-
922: Minor Material Load	132	-	-	-	-	-	-
925: E&S Loads	802,825	54,944	15,726	22,572	22,572	32,980	15,114
926: A&G Loads	542,251	29,434	8,170	11,838	11,838	17,414	7,843
928: AFUDC Debt	368,779	15,270	16,507	17,220	14,907	13,151	12,746
929: AFUDC Equity	306,771	20,658	22,331	23,295	20,166	17,791	17,243
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	(6,205,596)	-	-	(1,414,074)	(1,234,608)	(567,246)	(599,397)
825: Closing Cost of Removal	(365,908)	-	-	(141,883)	(121,761)	(54,626)	(56,951)
Project Net	7,166,184	905,223	287,384	(1,158,582)	(964,436)	(69,401)	(387,486)

Project No: **60005324** **Distribution Relay Upgrades**

	Jul27	Aug27	Sep27	EndBal-Sep27
110: Straight Time-General	14,660	14,660	14,660	785,308
120: Overtime-General	-	-	-	148,867
350: Material Issues-Major	-	55,000	-	2,485,769
370: Outside Services	174,202	272,622	420,071	11,014,864
374: Outside Services Legal	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	333
391: Jt Proj Bill to PNM -N Lab	-	-	-	-
426: Capitalized Interest	-	-	-	-
610: Expenses - General	-	-	-	155,390
805: Land and Land Rights	-	-	-	-
807: Non Refundable Contrib	-	-	-	-
829: Construction Adjustment	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-
908: Luna AR - Labor	-	-	-	-
909: Luna AR - Other	-	-	-	-
913: Payroll Taxes	1,211	1,211	1,211	73,663
914: Pension and Benefits	2,784	2,784	2,784	173,235
915: Injuries and Damages	2,780	2,780	2,780	171,891
921: Stores Load	-	9,222	-	44,552
922: Minor Material Load	-	-	-	132
925: E&S Loads	13,695	24,434	30,905	1,035,765
926: A&G Loads	7,082	12,836	16,302	665,008
928: AFUDC Debt	11,952	10,546	9,401	490,477
929: AFUDC Equity	16,169	14,268	12,717	471,409
961: Luna A&G PNMR D&V	-	-	-	-
825: Closing Addition	(945,372)	(952,069)	(947,992)	(12,866,352)
825: Closing Cost of Removal	(88,683)	(87,553)	(85,142)	(1,002,508)
Project Net	(789,521)	(619,260)	(522,303)	3,847,802

Project No: **60005324** **Distribution Relay Upgrades**

	BegBal-Oct27	Oct27	Nov27	Dec27	EndBal-27	Jan28	Feb28	Mar28
110: Straight Time-General	785,308	14,660	14,660	14,660	829,288	14,660	14,660	-
120: Overtime-General	148,867	-	-	-	148,867	-	-	-
350: Material Issues-Major	2,485,769	204,828	204,828	204,828	3,100,253	149,828	-	-
370: Outside Services	11,014,864	339,494	521,308	500,292	12,375,958	-	-	-
374: Outside Services Legal	-	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	333	-	-	-	333	-	-	-
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-	-
610: Expenses - General	155,390	-	-	-	155,390	-	-	-
805: Land and Land Rights	-	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-	-
913: Payroll Taxes	73,663	1,211	1,211	1,211	77,296	1,211	1,211	-
914: Pension and Benefits	173,235	2,784	2,784	2,784	181,587	2,784	2,784	-
915: Injuries and Damages	171,891	2,780	2,780	2,780	180,230	2,780	2,780	-
921: Stores Load	44,552	34,346	34,346	34,346	147,589	25,123	-	-
922: Minor Material Load	132	-	-	-	132	-	-	-
925: E&S Loads	1,035,765	39,603	52,330	50,859	1,178,557	11,988	1,500	-
926: A&G Loads	665,008	20,962	27,780	26,992	740,741	5,774	515	-
928: AFUDC Debt	490,477	8,532	10,152	11,965	521,126	12,860	13,173	13,271
929: AFUDC Equity	471,409	11,542	13,734	16,187	512,872	20,289	20,783	20,938
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-	-
825: Closing Addition	(12,866,352)	-	-	-	(12,866,352)	-	-	(6,121,231)
825: Closing Cost of Removal	(1,002,508)	-	-	-	(1,002,508)	-	-	(499,036)
Project Net	3,847,802	680,741	885,912	866,902	6,281,357	247,296	57,406	(6,586,059)

Project No: 60005324 Distribution Relay Upgrades

	Apr28	May28	Jun28	Jul28	Aug28	Sep28	EndBal-Sep28
110: Straight Time-General	-	-	-	-	-	-	858,608
120: Overtime-General	-	-	-	-	-	-	148,867
350: Material Issues-Major	-	-	-	-	-	-	3,250,081
370: Outside Services	-	-	-	-	-	-	12,375,958
374: Outside Services Legal	-	-	-	-	-	-	-
377: Outside Svcs-Temp Labor	-	-	-	-	-	-	333
391: Jt Proj Bill to PNM -N Lab	-	-	-	-	-	-	-
426: Capitalized Interest	-	-	-	-	-	-	-
610: Expenses - General	-	-	-	-	-	-	155,390
805: Land and Land Rights	-	-	-	-	-	-	-
807: Non Refundable Contrib	-	-	-	-	-	-	-
829: Construction Adjustment	-	-	-	-	-	-	-
903: SJ Switchyard AR-Labor	-	-	-	-	-	-	-
904: SJ Switchyard AR-Other	-	-	-	-	-	-	-
908: Luna AR - Labor	-	-	-	-	-	-	-
909: Luna AR - Other	-	-	-	-	-	-	-
913: Payroll Taxes	-	-	-	-	-	-	79,718
914: Pension and Benefits	-	-	-	-	-	-	187,155
915: Injuries and Damages	-	-	-	-	-	-	185,789
921: Stores Load	-	-	-	-	-	-	172,712
922: Minor Material Load	-	-	-	-	-	-	132
925: E&S Loads	-	-	-	-	-	-	1,192,045
926: A&G Loads	-	-	-	-	-	-	747,029
928: AFUDC Debt	-	-	-	-	-	-	560,430
929: AFUDC Equity	-	-	-	-	-	-	574,881
961: Luna A&G PNMR D&V	-	-	-	-	-	-	-
825: Closing Addition	-	-	-	-	-	-	(18,987,584)
825: Closing Cost of Removal	-	-	-	-	-	-	(1,501,544)
Project Net	-	-	-	-	-	-	(0)

PNM Exhibit JFO – 6

Explanation of Benefits

Is contained in the following 13 pages.

PNM Exhibit JFO – 6

This exhibit is intended to describe the value quantification method used in the Copperleaf software.

Value Model & Value Measures

The terms value, benefit, and measure are used interchangeably in this document. The method of quantifying benefits is a common industry practice that is based on industry measurements. Copperleaf, a cost-benefit analysis tool, enables an ability to analyze a complex number of projects by quantifying the benefits of the projects on a standardized basis, creating line of sight to PNM's strategic objectives. PNM has begun the process of quantifying the benefits of projects grouped by system planning areas. PNM envisions the cost-benefit analysis done through Copperleaf to be an iterative process, as benefit quantifications are enhanced as the evaluation process for capital projects are repeated through annual budgeting processes. PNM acknowledges that initial analysis for projects may be modified or refined as the analysis and quantification of projects continue to evolve. The initial phase and methodology used in this proceeding is sound and provide a solid foundation for a path forward. Another key value in the Copperleaf model is the ability to levelize investment benefits of projects in varying areas such as safety, environmental, energy transition, reliability, resiliency, wildfire risk, and any others. Each of these areas are key to serving our customers, and evaluating and assigning risk and benefit to these categories can help inform priority of investments and development of strategies to balance these various risks.

Copperleaf Value Model

A Copperleaf value model is the tool used to monetize or assign a dollar value to the benefits of capital projects. Capital projects that have similar scopes or characteristics are grouped into programs. Copperleaf uses various value models to assess program benefits. Some of the value models used in evaluating projects include the following: Financial Benefits, Public Perception Risk Reduction, and Reliability Risk Reduction. More details are in Table 1 PNM Strategic Objectives and Related Value Measures and Table 3 PNM Risk Matrix.

More than one value model is needed to capture all the benefits that each program generates. Value models calculate value measures, such as the amount of reduced O&M cost or the risk reduction associated with avoiding power quality problems. Value models provide net benefits, which are the net present value of the benefit streams minus the net present value of costs. Inputs to a value model are data sets that are needed to calculate the net benefits. Table 1 depicts a summary of the benefit mapping for the six strategic objectives, which includes the specific benefits identified and the value models used to determine net benefits.

Table 1 PNM Strategic Objectives and Related Value Models

Safety & Resiliency	Evolving Customer Needs	Affordable Energy	Reliability	Sustainable Energy	Economic Growth
Network Resilience (Quantified through Risk Matrix)	Increased DER Hosting Capacity (Increase in MW of distributed energy resources)	Reduced Capital Cost (Savings compared to baseline project cost)	Increased Capacity (Increase in generation or transmission capacity)	Emissions Reduction (Estimated annual reduction in greenhouse gas emissions)	Reduced Capital Cost (Savings compared to baseline project cost/ Can also contribute to affordability)
Cyber Security Risk Reduction (Quantified through Risk Matrix)	Improved Customer Satisfaction (Increase in customer satisfaction score)	Reduced O&M Costs (Annual O&M cost reduction compared to baseline)	Outage Reduction (Average annual outage duration reduction)	Compliance with Regulations (Likelihood of meeting future environmental regulations)	Revenue Increase (Projected increase in annual revenue from new services)
Physical Security Risk Reduction (Quantified through Risk Matrix)	Network Reliability and Efficiency (Improvement in network performance metrics)	Avoided Customer Fuel Costs (Estimated annual customer fuel cost savings)	Network Reliability and Efficiency (Improvement in network performance metrics)	Increased DER Hosting Capacity (Increase in MW of distributed energy resources)	
Wildfire Mitigation (Quantified through Risk Matrix)		Improved Efficiency (Percentage reduction in energy losses)	Electric Distribution Reliability (Uses the DOE ICE calculator) for measurement of reliability improvement		
Outage Reduction (Average annual outage duration reduction)					
Reduced Safety Risks (Quantified through Risk Matrix)					
Community Impact (Quantified through Risk Matrix)					

To illustrate how Copperleaf uses value models to quantify customer benefits, let's look at how the Electric Distribution Reliability Risk model was used to capture the Improved Customer Reliability benefit. This value model uses the Interruption Cost Estimate (ICE) calculator[1] developed by Lawrence Berkeley Labs and Nexant Inc. on behalf of the Department of Energy (DOE). This value model monetizes the customer cost associated with being without power. The

[1] *See* https://icecalculator.com/home. Lawrence Berkely National Laboratory (LBNL) and Nexant released the Interruption Cost Estimate (ICE) Calculator as a "tool designed for electric reliability planners at utilities, government organizations or other entities that are interested in estimating the interruption costs and/or the benefits associated with reliability improvements."

ICE calculator is based on willingness to pay surveys conducted by Lawrence Berkeley Labs and Nexant Inc. When a reliability improvement project is deployed on distribution circuit, outage events or outage duration are reduced. The reduction in outage events or reduction in outage duration combined with the ICE calculator value for dollars per customer minutes interrupted quantifies benefits to customers.

Copperleaf Value Measures

Value measures are the monetized value produced by an investment. Values measures quantify our alignment with the six strategic objectives.

In the Copperleaf value models there are three types of value measures produced by value models:

1.) Financial Benefits

2.) Risk Reduction Benefits

3.) Costs

Financial benefits capture the monetized value of outcomes associated with implementing the investment project. The risk reduction value measure captures the monetized value in avoiding undesirable outcomes by implementing the project. Cost is the money spent to construct the project.

Financial Benefits

Financial benefits are the calculated monetized values of expected outcomes from completing the project. Examples of value measures are capital cost avoidance, energy cost savings through energy arbitrage, and O&M cost avoidance.

Risk Reduction Benefits

The risk reduction benefit monetizes the risk reduction provided by the projects. The risk reduction benefit is based on the definition of risk. Risk is defined as the probability of an event occurring (PoE) multiplied by the consequence of the event occurring (CoE). Represented as an equation: Risk = PoE x CoE. Risk reduction value models are configured with a baseline risk level and an outcome risk level. The baseline risk is the level of risk if a project is not completed. The outcome risk level is the residual risk level after a project is completed. The risk reduction benefit is defined as baseline risk level minus outcome risk level. Risk reduction benefit is represented as a positive value stream based on the forecasted risk reduction over the planning horizon. See the Risk Table for full details.

Table 2 PNM Value Measure Categories and Examples

Value Measure	Category	Quantification Example
Reduced Capital Cost	Financial Benefits	Savings compared to baseline project cost (e.g. $10 million)
Reduced O&M Costs	Financial Benefits	Annual O&M cost reduction compared to baseline (e.g., $500,000/year)
Revenue Increase	Financial Benefits	Projected increase in annual revenue from new services (e.g., $2 million/year)
Avoided Customer Fuel Costs	Financial Benefits	Estimated annual customer fuel cost savings (e.g., $10 per customer per month)
Increased Capacity	Operational Benefits	Increase in generation or transmission capacity (e.g., 100 MW)
Improved Efficiency	Operational Benefits	Percentage reduction in energy losses (e.g., 5%)
Outage Reduction	Operational Benefits	Average annual outage duration reduction (e.g., 10 minutes)
Increased DER Hosting Capacity	Operational Benefits	Increase in megawatts (MW) of distributed energy resources (DER) the grid can handle (e.g., 20 MW)
Emissions Reduction	Environmental Benefits	Estimated annual reduction in greenhouse gas emissions (e.g., 10,000 tons of CO2)
Compliance with Regulations	Environmental Benefits	Likelihood of meeting future environmental or other regulations (Quantified through Risk Matrix)
Improved Customer Satisfaction	Customer Benefits	Increase in customer satisfaction score (e.g., 5%)
Cyber Security Risk Reduction	Risk Management	Reduction in the likelihood and impact of cyber security breaches (Quantified through Risk Matrix)
Physical Security Risk Reduction	Risk Management	Reduction in the likelihood and impact of physical security breaches (Quantified through Risk Matrix)
Wildfire Mitigation	Risk Management	Reduction in wildfire risk to infrastructure (Quantified through Risk Matrix)
Network Resilience	Risk Management	Reduction in the likelihood and impact of network disruptions (Quantified through Risk Matrix)
Network Reliability and Efficiency	Operational Benefits	Improvement in network performance metrics (Electrical Customer Minutes of Interruption, SAIDI, SAIFI)
Reduced Safety Risks	Safety Benefits	Reduction in the likelihood and severity of accidents or injuries (Quantified through Risk Matrix)
Community Impact	Risk Management	Reduction in the disruption to the community (Quantified through Risk Matrix)

The below figure is the Copperleaf Value Framework illustration showing the relationship between Value Models and Value Measures along with variables for the method of valuing investments.

Copperleaf Value Framework

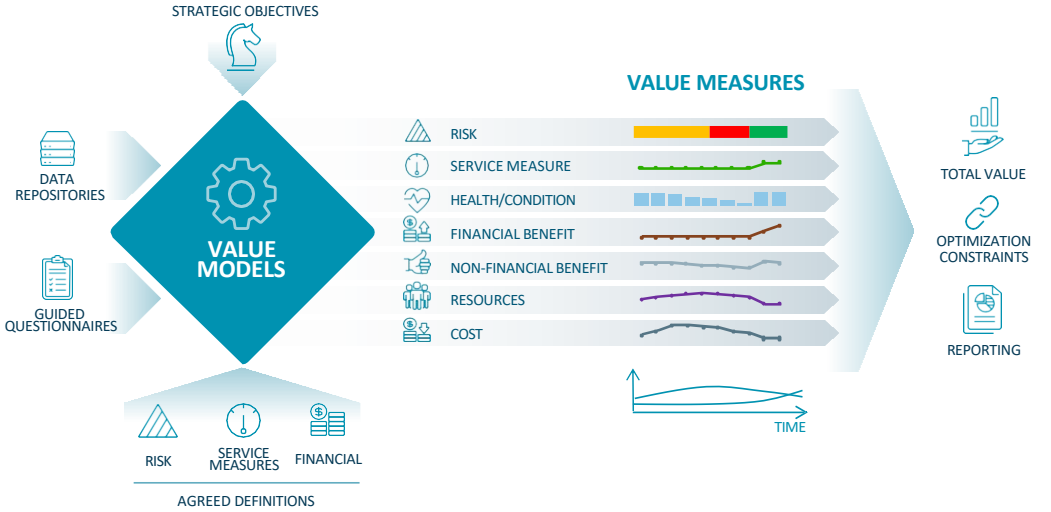


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Table 3A PNM Risk Matrix

Consequence	Negligible	Very Minor	Minor	Moderate	Major	Severe	Catastrophic
Financial Risk Range	**<$100K**	**$100K - $500K**	**$500K – $1.5 million**	**$1.5 - $10 million**	**$10 - $100 million**	**$100 - $250 million**	**>$250 million**
Financial Risk	Damage to company equipment or property OR Repair costs OR Cost of workarounds, manual processing, overtime <$100K	Damage to company equipment or property OR Repair costs OR Cost of workarounds, manual processing, overtime between $100K - $500K	Damage to company equipment or property OR Repair costs OR Cost of workarounds, manual processing, overtime between $500K – $1.5M	Damage to company equipment or property OR Repair costs OR Cost of workarounds, manual processing, overtime between $1.5M - $10M	Damage to company equipment or property OR Repair costs OR Cost of workarounds, manual processing, overtime between $10M - $100M	Damage to company equipment or property OR Repair costs OR Cost of workarounds, manual processing, overtime between $100M- $250M	Damage to company equipment or property OR Repair costs OR Cost of workarounds, manual processing, overtime > $250M

Consequence	Negligible	Very Minor	Minor	Moderate	Major	Severe	Catastrophic
Financial Risk Range	**<$100K**	**$100K - $500K**	**$500K – $1.5 million**	**$1.5 - $10 million**	**$10 - $100 million**	**$100 - $250 million**	**>$250 million**
Environmental Remediation Risk (with descriptions)	Short term or easily mitigated impact on land; remediation of either a residential / industrial site or a localized habitat (E.g. Constant uncontrolled or unplanned emissions bleeding into the atmosphere; invasive weed species infestation; spill to ground below externally reportable thresholds)	Event resulting in minor environmental impacts with minor, but repairable, damage to habitats. (E.g. Spill near a waterway or spill to ground potentially exceeding externally reportable thresholds, relocation of a nest during nesting season, or archaeological chance find	Event resulting in moderate environmental impacts with moderate, but repairable damage to habitats. (E.g. Spill near a waterway or spill to ground exceeding externally reportable thresholds, potential contamination of more fragile areas (protected, high-density habitats), relocation of multiple nests during nesting season, archaeological chance find, or damage to an ecosystem resulting in a loss of more than 5% of a species.	Event resulting in significant environmental impacts that require ongoing mitigation and have the potential to increase. (E.g. Significant spill in or near a waterway or spill to ground exceeding externally reportable thresholds, moderate irreparable damage to habitats, or damage to an ecosystem resulting in a loss of more than 10% of a species.)	Very large environmental impact onsite and/or large offsite impact (>50 acres/10 miles) OR Uncontrolled environmental damage. Event may include negligence, repeat offences, and may require major amount of remediation, restoration and monitoring (E.g.: Uncontrollable spill to water exceeding externally reportable thresholds. Release of PCB's to water, forest fire >10ha; Negligent destruction of SARA-listed species and critical habitat; Mass fish kill….	Major environmental impact on site and/or offsite (E.g. large-scale toxic contamination of public waterway, persistent reduction in ecosystem function) OR Damage to an ecosystem resulting in a loss of more than 50% of a species	Irreparable damage to the long term viability of an ecosystem OR Global loss of a species

Consequence	Negligible	Very Minor	Minor	Moderate	Major	Severe	Catastrophic
Financial Risk Range	**<$100K**	**$100K - $500K**	**$500K – $1.5 million**	**$1.5 - $10 million**	**$10 - $100 million**	**$100 - $250 million**	**>$250 million**
Compliance Risk	Reportable incident to regulator OR Internal or External third party Audit Findings OR Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions where the impact on future projects is < $100K	Reportable incident to regulator OR Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions where the impact on future projects is between $100K and $500K	Notice of Violation (NOV) OR Violation of Regulator audit items at single site OR Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions where the impact on future projects is between $500K and $1.5M	Violation of ministry audit items at multiple sites OR Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions OR Mandated performance improvement plan calling for unrecoverable capital investment or O&M spending OR Relationship damage at the director level OR Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions where the impact on future projects is between $1.5M and $10M	Non-compliance with Board Level Commitments OR Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions OR Violation of legal, regulatory, or statutory requirement resulting in an extended shutdown of a major facility OR Relationship damage at the senior executive level OR Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions where the impact on future projects is between $10M and $100M	Violation of regulatory requirement resulting in fines / compliance costs / operating restrictions where the impact on future projects is greater than $100M	Revocation of the company's permit to operate

Consequence	Negligible	Very Minor	Minor	Moderate	Major	Severe	Catastrophic
Financial Risk Range	**<$100K**	**$100K - $500K**	**$500K – $1.5 million**	**$1.5 - $10 million**	**$10 - $100 million**	**$100 - $250 million**	**>$250 million**
Cybersecurity Risk	Staff are unaware of security policies / best practices	Devices do not have the current Operating System or Anti-Virus updates on devices that do not connect to Operational Technology (OT) systems (e.g. Control Systems, SCADA, DCS, Business Critical Enterprise Systems)	Devices do not have functionality to detect intrusions / threats / malware / viruses	Recorded attempts at accessing a network, caught without apparent consequence	Unintended physical or logical access to a network without system breach OR Malware, virus breach, or unintended access of any IT system or device	Malware, virus breach, or unintended access of any IT system or device containing private but not sensitive employee information OR unintended access to any IT system that has direct access to an Operational Technology (OT) system (e.g. Control System, SCADA, DCS, Business Critical Enterprise System) OR to an IT system containing customer or employee confidential data	Direct unintended access to an Operational Technology (OT) system (e.g. Control System, SCADA, DCS, Business Critical Enterprise System)

Consequence	Negligible	Very Minor	Minor	Moderate	Major	Severe	Catastrophic
Financial Risk Range	**<$100K**	**$100K - $500K**	**$500K – $1.5 million**	**$1.5 - $10 million**	**$10 - $100 million**	**$100 - $250 million**	**>$250 million**
Physical Security Risk	Physical security breach with consequences < $100K	Physical security breach with consequences in the range $100K - $500K	Physical security breach with consequences in the range $500K - $1.5M	Physical security breach with consequences in the range $1.5M - $10M	Physical security breach with consequences in the range $10M - $100M	Physical security breach with consequences in the range $100M - $250M	Physical security breach with consequences > $250M
Distribution Power Quality Risk	Feeder main and lateral voltage range is between 114 - 127V under emergency conditions per ANSI C84.1	Feeder main and lateral voltage range is between 118 - 126V under normal conditions, but outside of 114 - 127V under emergency conditions on peak per ANSI C84.1	Feeder main and lateral voltage range is in Range B under normal conditions, or outside of 114 - 127V under emergency conditions on peak per ANSI C84.1	Feeder main and lateral voltage range is outside of 114 - 127V under normal and emergency conditions on partial or off peak per ANSI C84.1	N/A	N/A	N/A
Electric Distribution Delivery Capacity Risk	Able to supply load without exceeding planning limits	N/A	Can supply all load but exceeding normal ratings or > 85% of Transformer Emergency Rating	Unable to supply all load and exceeding emergency thermal limits or Operating a Transformer at > 100% of its Emergency Rating	N/A	N/A	N/A

Consequence	Negligible	Very Minor	Minor	Moderate	Major	Severe	Catastrophic
Financial Risk Range	**<$100K**	**$100K - $500K**	**$500K – $1.5 million**	**$1.5 - $10 million**	**$10 - $100 million**	**$100 - $250 million**	**>$250 million**
Public Perception Risk	Adverse internal employee concerns OR Localized event coverage with no or minimal political pressure from any level demanding investigations; no known reputational impact OR Local negative press; Potential cost impact on future decisions (between $0K and $100k annually)	Some public embarrassment OR Short term attention from local councilors or long term complaints from residents OR Trust with external agencies has been eroded to a point that cannot be rectified by enhanced communications ; Significant relationship breakdown involving only a single municipality; Potential cost impact on future decisions (between $100K and $500K)	Company has diminished influence with external agencies; Event generates public outrage at company for < 1 year OR Significant negative local press; Potential cost impact on future decisions (between $500K and $1.5M annually)	Company has lost influence with external agencies; Broad event coverage with political pressure at state level demanding investigations; event generates public outrage at company for >1 yr OR Long term regional media coverage and/or short term industry coverage; Potential cost impact on future decisions (between $1.5M and $10M annually)	Public Inquiry, federal inquiry (FAI) OR Nationwide event coverage with political pressure at all levels demanding investigations OR Extended industry coverage and/or sparse national media coverage; Potential cost impact on future decisions (between $10M and $100M annually)	Public trust in company is completely lost OR Legislation or court intervention which severely hampers ability to operate OR Frequent national and some International media coverage; Potential cost impact on future decisions (between $100M and $250M annually)	Destroyed industry and national perception; Potential cost impact on future decisions (Over $250M annually)

Consequence	Negligible	Very Minor	Minor	Moderate	Major	Severe	Catastrophic
Financial Risk Range	**<$100K**	**$100K - $500K**	**$500K – $1.5 million**	**$1.5 - $10 million**	**$10 - $100 million**	**$100 - $250 million**	**>$250 million**
Safety Risk	Possibility of injury has been mitigated by temporary measures where the cost of those measures are <$100K OR Near Miss	Possibility of injury has been mitigated by temporary measures where the cost of those measures are $100K - $500K OR First Aid	Possibility of injury has been mitigated by temporary measures where the cost of those measures are $500K - $1.5M OR Recordable injury (non-hospital)	Possibility of injury has been mitigated by temporary measures where the cost of those temporary are $1.5M - $10M OR Lost time injury	Possibility of injury has been mitigated by temporary measures where the cost of those measures are $10M - $100M OR Permanent Disability or Fatality	Possibility of injury has been mitigated by temporary measures where the cost of those measures are $100M - $250M OR Multiple Injuries and Fatalities	General Public at risk of Hundreds of Injuries and Fatalities (e.g. dam failure, radiation or gas release)
Grid Stability Risk	No grid stability or power quality issues	Grid stability issues with potential to cause localized power quality issues (voltage or frequency)	Grid stability issues with potential to cause significant power quality issues (voltage or frequency)	Grid stability issues with potential to cause localized load shedding	Grid stability issues with potential to cause widespread load shedding	Grid stability issues with potential to cause cascading outages beyond Utility network	N/A
Blackstart Delay Risk					Delay in grid-wide blackstart of 30 minutes	Delay in grid-wide blackstart of 1 hour	
Obligation to Serve Risk	N/A	N/A	≤10 Residential Customers	≤30 Residential Customers or 1 Commercial Customer	≤60 Residential Customers or ≤2 Commercial Customers	≤100 Residential Customers or ≤3 Commercial Customers	>100 Residential Customers or > 3 Commercial Customers or 1 Industrial Customer

Table 3B PNM LIKELIHOODS (Probability)

Likelihoods - 9 levels

	None	Once in 10,000 years	Once in 1,000 years	Once in 333 years	Once in 100 years	Once in 33 years	Once in 10 years	Once in 3 years	Almost Certain
Description	Less than once in 10,000 Years	Greater than .01% chance of event occurring this year (e.g. 1 in 10,000 year event)	Greater than .1% chance of event occurring this year (e.g. 1 in 1,000 year event)	Greater than 0.3% chance of event occurring this year (e.g. 1 in 333 year event)	Greater than 1% chance of event occurring this year (e.g. 1 in 100 year event)	Greater than 3% chance of event occurring this year (e.g. 1 in 33 year event)	Greater than 10% chance of event occurring this year (e.g. 1 in 10 year event)	Greater than 33% chance of event occurring this year (e.g. 1 in 3 year event)	Greater than 95% chance of event occurring this year.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF NEW MEXICO FOR REVISION OF ITS RETAIL ELECTRIC RATES PURSUANT TO ADVICE NOTICE NO. 667	)	**Docket No. 26-0000XXX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant.	)	

AFFIRMATION

I, Jesus Flores-Olivas, submit this unsworn affirmation pursuant to Rule 1.2.2.35(A)(3) and state, upon penalty of perjury under the laws of the State of New Mexico, that I have read the foregoing Direct Testimony and that the statements contained therein are true and correct based on my personal knowledge, information and belief.

Dated: November 24, 2026.

/s/ *Jesus Flores-Olivas*
JESUS FLORES-OLIVAS

GCG#536036