**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

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| **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**

**WESLEY W. GRAY**

**November 24, 2026**

**NMPRC DOCKET NO. 26-0000XXX**
**INDEX TO THE DIRECT TESTIMONY OF WESLEY W. GRAY**
**WITNESS FOR**
**PUBLIC SERVICE COMPANY OF NEW MEXICO**


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Affirmation

**DIRECT TESTIMONY OF**
**WESLEY W. GRAY**
**NMPRC DOCKET NO. 26-0000XXX**

## I. INTRODUCTION AND PURPOSE

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

**A.** My name is Wesley W. Gray. I am the Vice President, PNM Operations & Engineering for Public Service Company of New Mexico ("PNM" or "Company"). My business address is 4201 Edith Blvd. NE, Albuquerque, New Mexico 87107. A description of my position and background is included in PNM Exhibit WWG-1. The exhibit also includes a list of cases in which I have testified before the New Mexico Public Regulation Commission ("Commission" or "NMPRC").

**Q. Please describe your responsibilities as Vice President, Operations & Engineering.**

**A.** In my role as Vice President, Operations & Engineering, I am primarily responsible for PNM's transmission, distribution, and substation field operations groups, distribution engineering groups, generation operations groups, generation engineering group, and PNM's wildfire mitigation and vegetation management groups.

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

**A.** The purpose of my direct testimony is to support certain capital investments associated with PNM's Generation, Transmission, and Distribution systems.

For Generation, I describe PNM's generation resources and support the Generation capital investments included in the Capital Investment Period.[1] I also address Palo Verde nuclear fuel, planned outage costs, and certain operational matters involving the Four Corners Power Plant ("Four Corners"), the Reeves Generating Station ("Reeves"), market purchases, and battery energy storage systems ("BESS").

For Transmission and Distribution ("T&D"), I address PNM's historical reliability performance and outage causes and support the T&D capital projects identified in my testimony and PNM Exhibit WWG-3 (Transmission) and PNM Exhibit WWG-4 (Distribution). These investments include Grid Modernization, asset replacement and upgrade programs, reliability and resilience investments, wildfire-risk reduction projects, lighting, telecommunications, joint-use, pole and structure replacement, cable replacement, and other asset-management investments assigned to me. I also address certain Test Period T&D operations and maintenance ("O&M") expenses associated with workforce additions, system maintenance and support, Operational Technology, vegetation management, and other ongoing wildfire-risk-reduction activities.

PNM witness Andrea Sanchez supports all New Service Delivery capital projects, and PNM witness Jesus Flores-Olivas supports the separate Transmission and Distribution capital projects and O&M expenses identified in his testimony. PNM

[1] The Capital Investment Period includes the linkage data and Test Period and encompasses the period from the end of the Base Period (July 1, 2026) through the end of the Test Period (September 30, 2028).

witness Dr. Tobe C. Phelps supports Shared Services[2] capital investments. PNM witness Reina N. Gutierrez presents the accounting treatment, jurisdictional allocation, and amounts included in PNM's retail revenue requirement.

**Q. Are you sponsoring any Rule 530 schedules?**

**A.** Yes. I am sponsoring Rule 530 Schedules pursuant to 17.9.530 NMAC as follows:

- Rule 530 Schedule P-8 contains historical customer service interruption information for PNM's distribution system by occurrence, duration, and location; and
- Rule 530 Schedule P-10 contains historic reliability indices for the PNM T&D system.

I also provide operational support for the Palo Verde nuclear-fuel forecast reflected in Rule 530 Schedule B-7. PNM witness Gutierrez sponsors the associated accounting and rate base treatment.

## II. SUMMARY OF KEY CONCLUSIONS

**Q. Please summarize your conclusions concerning PNM's Generation capital investments and expenses that are included in the cost of service.**

**A.** Based on the factual support in my Direct Testimony and PNM Exhibit WWG-2, I conclude:

[2] "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.

- PNM's capital budgeting process identifies and prioritizes projects needed to safely operate and maintain PNM's solely and jointly owned generation resources. The generation capital investments projected to clear during the Capital Investment Period total $467.2 million.
- The Generation projects included in PNM Exhibit WWG-2 support continued safe and reliable plant operation, environmental and regulatory compliance, equipment reliability, and PNM's transition to a generation portfolio with increasing renewable-energy and battery-storage resources.
- PNM's nuclear fuel costs associated with the Palo Verde Nuclear Generating Station ("Palo Verde") are necessary and reasonable to provide PNM customers with reliable, carbon-free energy.
- PNM's outage costs normalization methodology provides a reasonable basis for the estimation of power plant outage expenses.
- The estimates for the ongoing San Juan Coal Mine reclamation costs are reasonable and necessary and based on qualified independent evaluations.
- The applicable depreciation, accounting, and allocation witnesses address the requested Four Corners, Reeves, and BESS calculations.
- Much of PNM's existing T&D facilities are at or have exceeded their useful lives and must be upgraded or replaced to assure continued system reliability and resiliency.
- The T&D capital projects that I support are properly planned and evaluated and are necessary and reasonable to safely and reliably serve PNM's customers.

- The T&D O&M expenses that I support are reasonable estimates and needed to cover the required costs of the referenced T&D operations.

## III. PNM'S ENERGY TRANSITION

**Q. How is PNM supporting New Mexico's energy future?**

**A.** PNM is transitioning its generation portfolio in response to the Energy Transition Act ("ETA") and Commission-approved resource decisions. PNM has added renewable energy and battery storage resources, and continues to rely on Palo Verde, Four Corners, and its natural gas generation fleet to provide energy and capacity when intermittent resources are unavailable. PNM currently expects to end its participation in Four Corners in 2031, subject to Commission action in Docket No. 26-0000114. Owned generation assets are distinguished from power purchase agreements ("PPAs") and energy storage agreements ("ESAs"), which are recovered under their applicable contractual and regulatory treatment.

**Q. What new resources are expected to begin serving customers during the Capital Investment Period?**

**A.** PNM expects additional owned and contracted resources to begin serving customers during the Capital Investment Period. These resources include owned generation and storage assets, PPAs, and ESAs. PNM Tables WWG-2, WWG-4, and WWG-5 identify the applicable resources, capacities, contractual arrangements, and expected commercial operation dates ("COD").

PNM requests rate base treatment only for the PNM-owned assets included in the Generation capital investment presented in PNM Exhibit WWG-2. Payments under PPAs and ESAs are not included in that Generation capital total and are generally recovered under PNM's Fuel and Purchased Power Cost Adjustment Clause also commonly referred to as the FPPCAC or fuel clause.

**Q. What are the operational and compliance implications of PNM's changing generation portfolio?**

**A.** PNM is transitioning its generation portfolio from large thermal resources to a more diversified mix of intermittent resources, including wind, solar, and battery storage. This transition requires PNM to adapt its planning and operations since the availability of these resources varies.

To ensure reliable energy and capacity, PNM must coordinate its renewable and battery-storage resources with existing sources such as Palo Verde, Four Corners, and its natural gas fleet. Dispatchable resources are essential for filling gaps when renewable production falls short and for maintaining reliability during peak demand periods.

Additionally, PNM must comply with the New Mexico Energy Transition Act, which includes carbon-emission standards and carbon-free generation requirements. This means PNM must manage its carbon-emitting resources effectively while advancing toward a carbon-free generation system.

The capital investments discussed in my testimony support safety, compliance, and reliability during this transition, allowing PNM to integrate more renewable energy without compromising service quality.

The Test Period, ending September 30, 2028, includes new renewable energy and storage projects completed since PNM's last rate case (Case No. 24-00089-UT), alongside investments aimed at modernizing its grid.

**Q. Describe the role of market purchases for PNM's generation portfolio.**

**A.** PNM uses market purchases to support reliability and manage power costs when owned and contracted resources are unavailable, insufficient, or more expensive than available market energy. PNM routinely purchases or sells energy through regional trading hubs such as the Palo Verde hub and the Four Corners hub and selects transaction terms based on underlying system need. PNM also uses market purchases to procure firm power in the forward/term markets to cover additional capacity and energy that is needed to meet PNM's reserve margin requirements to serve the peak load that typically occurs in the third quarter. PNM's peak load usually occurs in July or August of the year. As in past summer periods, PNM ensured adequate reserves were covered by making forward market purchases that are needed due to delays in new Variable Energy Resources ("VERs") coming online or due to extended unplanned outages on existing thermal dispatchable resources. PNM manages these forward purchases as part of its overall portfolio, prioritizing reliability over economic considerations. PNM issues requests for

proposals ("RFPs") for seasonal physical-power purchases, generally to address forecast third-quarter peak needs and reduce exposure to potential market shortfalls. PNM manages these purchases as part of its overall portfolio, prioritizing reliability over economic considerations.

PNM participates in the California Independent System Operator's ("CAISO") Western Energy Imbalance Market ("WEIM"), which provides access to real-time regional non-firm energy. PNM is also planning to begin participating in CAISO's Extended Day-Ahead Market ("EDAM") in the fourth quarter of 2027. The EDAM will add day-ahead optimization of generation and transmission, providing PNM with greater visibility into regional resource and transmission availability and additional opportunities to serve load reliably and economically.

PNM also enters into longer-term financial transactions consistent with its hedging guidelines to optimize the portfolio in the forward markets. PNM also purchases physical power in day-ahead and hour-ahead markets from counterparties in the Southwest, considering market prices and transmission costs.

## IV. OVERVIEW OF PNM'S GENERATION RESOURCES

**Q. Please describe PNM's current generation portfolio.**

**A.** PNM's generation portfolio consists of a diverse mix of generation resources, which includes nuclear, natural gas, coal, wind, solar, battery storage, and

geothermal. While PNM owns a significant amount of generation capacity, either outright or in participation with other owners, an increasing amount of PNM's generation resources are procured through PPAs, where PNM has a contractual entitlement to the full output from a third-party generation facility, and ESAs, where PNM has a contractual right to capacity from a third-party energy storage facility. PNM's total portfolio by fuel type as of September 30, 2028, is summarized below in PNM Table WWG-1.

**PNM Table WWG-1**
**PNM Existing Generation Portfolio by Fuel Type**

| Fuel Type | Gross Maximum Capacity (MW)* | % of Portfolio |
|---|---|---|
| Coal | 200 | 3% |
| Natural Gas | 1249 | 20% |
| Nuclear | 288 | 5% |
| Battery | 1871 | 29% |
| Solar | 2101 | 33% |
| Wind | 658 | 10% |
| Geothermal | 11 | Less than 1% |
| **Total** | **6378** | **100%** |
| *Data compiled through end of the Test Period, September 30, 2028. | | |

**Q. Please describe PNM's owned renewable energy and energy storage resources.**

**A.** The storage and solar facilities owned by PNM are summarized below in PNM Table WWG-2. These facilities are expected to be online by the end of the Test Period, September 30, 2028.

**PNM Table WWG-2**
**PNM Owned Renewable and Storage Resources**

| Facility | Technology | Capacity (MW) | County | COD or Expected COD* |
|---|---|---|---|---|
| Alamogordo Solar | Solar | 5 | Otero | 10/15/2011 |
| Albuquerque Solar Energy Center (Reeves) | Solar | 2 | Bernalillo | 4/8/2011 |
| Cibola Solar | Solar | 8 | Cibola | 2/1/2015 |
| Deming Solar | Solar | 9 | Luna | 8/8/2011 |
| Las Vegas Solar | Solar | 5 | San Miguel | 12/15/2011 |
| Los Lunas Solar | Solar | 7 | Valencia | 6/1/2011 |
| Manzano Solar | Solar | 8.4 | Valencia | 10/11/2013 |
| Meadow Lake Solar | Solar | 8.9 | Valencia | 12/31/2014 |
| Otero Solar | Solar | 8 | Otero | 12/1/2013 |
| Prosperity Solar | Solar | 0.5 | Bernalillo | 9/19/2011 |
| Rio Communities Solar | Solar | 10 | Valencia | 12/31/2015 |
| Rio Del Oro Solar | Solar | 10 | Valencia | 5/31/2019 |
| Rio Rancho Solar | Solar | 10 | Bernalillo | 12/3/2019 |
| San Miguel 1 Solar | Solar | 10 | San Miguel | 9/20/2019 |
| San Miguel 2 Solar | Solar | 10 | San Miguel | 10/15/2019 |
| Sandoval Solar | Solar | 6.1 | Sandoval | 12/31/2014 |
| Santa Fe Solar | Solar | 9.5 | Santa Fe | 12/31/2015 |
| Santolina Solar | Solar | 10.5 | Bernalillo | 12/31/2015 |
| South Valley Solar | Solar | 10 | Bernalillo | 12/31/2015 |
| Sunbelt Solar | Solar | 95.6 | San Juan | 5/1/2027* |
| Vista Solar | Solar | 10 | Valencia | 3/5/2019 |
| Prosperity Battery | BESS | 0.5 | Bernalillo | 9/11/2011 |
| Rio Del Oro BESS | BESS | 6 | Valencia | 6/29/2024 |
| Sandia Storage Project | BESS | 60 | Bernalillo | 6/24/2026 |
| South Valley BESS | BESS | 6 | Bernalillo | 10/29/2024 |
| Sunbelt BESS | BESS | 50 | San Juan | 5/1/2027* |
| **Total MW** | | **373.8** | | |

**Q. Please describe PNM's nuclear generating resources.**

**A.** PNM owns an interest in all three units at Palo Verde, representing a total of 288 MW. Arizona Public Service Company ("APS") operates Palo Verde, which is located west of Phoenix, Arizona. Palo Verde is the nation's second-largest nuclear generating station. PNM Table WWG-3 shows the dates the units came online and when the current nuclear operating licenses expire.

**PNM Table WWG-3**
**Palo Verde Operating License**

| Unit | COD | Capacity (MW) | License Expires |
|---|---|---|---|
| 1 | 6/1/1985 | 30.2 | 6/1/2045 |
| 2 | 4/24/1986 | 123.6 | 4/24/2046 |
| 3 | 11/25/1987 | 133.8 | 11/25/2047 |

**Q. Please describe PNM's owned natural gas resources.**

**A.** The current natural gas resources in PNM's generation fleet are comprised of fast-starting flexible natural gas units, steam turbines, heavy frame units, and combined cycle units. Taken together, these resources provide low-cost energy through economic dispatch and play an important role in supporting the continued and rapid addition of renewable energy resources to PNM's resource mix. These gas resources are as follows:

- Afton Generating Station ("Afton"): Afton is a 235 MW natural gas-fired generating plant that is wholly owned and operated by PNM and is located near La Mesa in the southern part of New Mexico. Power generated at Afton can be delivered to customers in either southern or northern New Mexico via owned or contracted transmission rights.

- Lordsburg Generating Station ("Lordsburg"): Lordsburg is an 84 MW simple cycle natural gas-fired generation facility located in Hidalgo County, New Mexico. Power generated at Lordsburg can be delivered to customers in either southern or northern New Mexico via owned or contracted transmission rights.
- Luna Energy Facility ("Luna"): Luna is a 558 MW natural gas-fired combined cycle generating facility located near Deming, New Mexico. PNM, Tucson Electric Power Company, and Samchully Power and Utilities 1, LLC, jointly own equal shares in Luna, with PNM serving as operating agent under the participation agreement among the three owners. PNM's generation share of Luna is 190 MW. The Luna owners contract with the NAES Corporation to provide on-site O&M. Power generated at Luna can be delivered to customers in southern or northern New Mexico via owned or contracted transmission rights.
- La Luz Energy Facility ("La Luz"): La Luz is a 41 MW simple cycle natural gas-fired generating station that is wholly owned and operated by PNM and is located near Belen, New Mexico. La Luz is sited adjacent to an existing PNM switching station and transmission facilities.
- Rio Bravo Generating Station ("Rio Bravo"): Rio Bravo is a simple-cycle 149 MW dual-fuel generating plant that is wholly owned and operated by PNM and is located in Albuquerque, New Mexico. Power

generated at Rio Bravo can be delivered to customers in northern and southern New Mexico via owned or contracted transmission rights.

- Reeves Generating Station: Reeves, which is in northern Albuquerque, is a 144 MW natural gas-fired generating plant that is wholly owned and operated by PNM. Reeves consists of three gas-fired conventional boiler and steam turbine units. Unit 1 produces 42 MWs, Unit 2 produces 41 MWs, and Unit 3 produces 61 MW. Power generated at Reeves can be delivered to customers in northern and southern New Mexico via owned or contracted transmission rights. In PNM's recent 2029-2032 resource filing, Docket No. 26-0000114, PNM notified the Commission of PNM's need to extend the operational life of Reeves through 2044 to safely and reliably serve PNM's customers on a cost-effective basis. Projects associated with the life extension of Reeves are beyond the Test Period and, therefore, are not included in this filing.

**Q. Please describe PNM's coal generating resources.**

**A.** With the closure of San Juan, PNM's remaining coal generation is limited to Four Corners. APS operates Four Corners, located near Fruitland, New Mexico, which formerly consisted of five coal-fired generation units. PNM owns a 13% share of Four Corners Units 4 and 5, representing 200 MW, which PNM acquired in 1969 and 1970, respectively. Four Corners provides needed base load energy and capacity to serve PNM customers when PNM's solar and wind resources are not

available. It is also needed to ensure we have adequate resources during our summer peak season.

**Q. Please describe PNM's Commission-approved long-term PPAs.**

**A.** PNM's long-term PPAs represent a diverse group of resources. These PPAs include wind, solar, geothermal, and natural gas. Please see PNM Table WWG-4 for more detail.

**PNM Table WWG-4**
**PNM PPAs**

| Project | Technology | Capacity (MW) | County | COD or Expected COD* |
|---|---|---|---|---|
| Arroyo Solar | Solar | 300 | McKinley | January 24, 2024 |
| Atrisco Solar | Solar | 300 | Bernalillo | September 4, 2024 |
| Britton Solar | Solar | 50 | Torrance | December 13, 2019 |
| Casa Mesa Wind | Wind | 50 | Quay | November 13, 2018 |
| Dale Burgett Geothermal Plant | Geothermal | 11 | Hidalgo | January 1, 2018 |
| Encino Solar | Solar | 50 | Sandoval | July 1, 2020 |
| Encino North Solar | Solar | 50 | Sandoval | September 1, 2023 |
| Facebook 1 Solar | Solar | 10 | Valencia | December 29, 2017 |
| Facebook 2 Solar | Solar | 10 | Bernalillo | February 26, 2018 |
| Facebook 3 Solar | Solar | 10 | Bernalillo | April 5, 2018 |
| Four Mile Mesa Solar | Solar | 100 | San Juan | December 31, 2027* |
| Jicarilla Solar 1 | Solar | 50 | Rio Arriba | April 15, 2024 |
| Jicarilla Solar 2 | Solar | 50 | Rio Arriba | April 30, 2022 |
| La Joya Wind 1 | Wind | 165.02 | Torrance | February 7, 2021 |
| La Joya Wind 2 | Wind | 141.18 | Torrance | June 30, 2021 |
| NMWEC - Lone Mesa | Wind | 200 | Quay | September 17, 2018 |
| Quail Ranch Solar | Solar | 100 | Bernalillo | December 19, 2025 |
| Red Mesa Wind Energy Center | Wind | 102.4 | Cibola | January 1, 2015 |
| Route 66 Solar | Solar | 49.5 | Cibola | May 27, 2022 |

| Project | Technology | Capacity (MW) | County | COD or Expected COD* |
|---|---|---|---|---|
| San Juan Solar 1 | Solar | 200 | San Juan | July 22, 2024 |
| Sky Ranch Solar | Solar | 190 | Valencia | April 30, 2024 |
| Star Light Solar | Solar | 100 | Valencia | December 1, 2026* |
| TAG Solar | Solar | 140 | Sandoval | August 29, 2025 |
| Valencia Energy Facility | Natural Gas | 158.5 | Valencia | May 31, 2008 |
| Windy Lane Solar | Solar | 90 | De Baca | December 1, 2026* |
| **Total MW** | | **2662.8** | | |

**Q. Please describe PNM's Commission-approved ESAs.**

**A.** PNM currently has 15 Commission-approved ESAs, which are all comprised of battery energy storage, as listed in PNM Table WWG-5 below.

**PNM Table WWG-5**
**PNM ESAs**

| Project | Capacity (MW) 4-Hour Storage | County | COD or Expected COD* |
|---|---|---|---|
| Arroyo Energy Storage | 150 | McKinley | July 29, 2023 |
| Atrisco Energy Storage | 300 | Bernalillo | October 27, 2024 |
| Casa Mesa Battery | 1 | Quay | November 13, 2018 |
| Corazon Storage | 150 | Bernalillo | December 31, 2027* |
| Four Mile Mesa Storage | 100 | San Juan | December 31, 2027* |
| Jicarilla Storage 1 | 20 | Rio Arriba | September 6, 2023 |
| Quail Ranch Storage | 100 | Bernalillo | January 30, 2026 |
| Route 66 Storage | 49.5 | Cibola | November 26, 2025 |
| San Juan 1 Storage | 100 | San Juan | October 25, 2024 |
| Sky Ranch Energy Storage | 50 | Valencia | April 12, 2024 |
| Sky Ranch Energy Storage II | 100 | Valencia | November 3, 2025 |
| Star Light Storage | 100 | Valencia | December 1, 2026* |
| Sun Lasso Storage | 150 | Bernalillo | January 1, 2028* |
| TAG Storage | 50 | Sandoval | August 29, 2025 |
| Windy Lane Storage | 68 | De Baca | December 1, 2026* |
| **Total MW** | **1748.5** | | |

## V. PNM'S GENERATION CAPITAL BUDGETING PROCESS

**Q. Please describe PNM's capital investment process for its generation resources.**

A. In his direct testimony, PNM witness Phelps provides an overview of the PNM capital budgeting development and governance. PNM witness Phelps discusses the value-based framework, which includes seven core strategic objectives and integrated system planning, that are interrelated to drive our investments. This value-based framework, which analyzes the benefits and costs of proposed projects, guides PNM's capital investments in its generation resources. The benefit-cost analyses shown in PNM Tables WWG-8 and WWG-11 below utilize the seven core strategic objectives and confirm that the projects in the Capital Investment Period are reasonable and necessary based on the quantified and operational benefits identified through PNM's evaluation. This analysis provides transparency into how PNM evaluates its investments and programs to meet our customers' needs.

**Q. Please describe the capital budgeting process for Luna, where PNM is the operating agent.**

A. For Luna, PNM is the operating agent and one-third owner. PNM prepares the capital budget for the facility using the process described by PNM witness Phelps. Once developed, the proposed capital budget is presented to the ownership group for review, input, and approval. The owners scrutinize PNM's plans, seek information, and provide input on the proposed budgets. The final annual capital

budget is submitted to the owners for approval in accordance with the applicable participation agreement.

**Q. How were the estimates developed for the Generation capital projects in PNM Exhibit WWG-2?**

**A.** The estimating process depends on the project and facility. For facilities operated by PNM, estimates are based on engineering scopes, prior project experience, vendor information, contractor estimates, labor and material assumptions, and applicable escalation. Estimates are refined as engineering, procurement, and construction planning progress. When current vendor pricing, contract amounts, engineering estimates, or other more project-specific information is available, PNM uses that information rather than relying on a general escalation assumption. For Palo Verde and Four Corners, PNM relies on project and budget information developed by APS through the applicable owner-review and approval process. PNM reviews that information, participates in the ownership committees, and forecasts its ownership share of the approved project costs. PNM Exhibit WWG-2 provides the supporting estimate and projected clearing information for the Generation projects included in the Capital Investment Period.

**Q. How are the capital budgeting and expenditure monitoring handled for Palo Verde and Four Corners, where APS is the plant operator?**

A. Like PNM, APS, as operator for both these plants, follows a rigorous process to determine project prioritization, cost estimates and funding levels. APS develops the proposed capital plans and presents them to the respective facility ownership groups. PNM reviews the proposed projects, cost estimates, schedules, and supporting information; participates in owner committees; requests additional information where appropriate; provides input; and votes on the annual capital budgets in accordance with the applicable ownership agreements. Once approved, PNM is contractually responsible for its ownership share of the capital costs.

PNM also participates in regular owner reviews of actual expenditures, project status, and material changes in cost, scope, or schedule. This process allows PNM to monitor its ownership share of the approved work and identify material variances from the approved budget.

**Q. Does PNM have budgeting obligations for facilities that provide PNM power pursuant to a PPA or ESA?**

A. No. PNM does not own or operate the facilities subject to PPAs and ESAs and does not develop their capital budgets. PNM's payment obligations are governed by the terms of each Commission-approved agreement. PPA and ESA payments are not

included in the Generation capital-investment total presented in PNM Exhibit WWG-2.

## VI. PNM'S CAPITAL INVESTMENTS IN GENERATING FACILITIES

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

**A.** I summarize and support PNM's capital investments in generation facilities in the Capital Investment Period. Please see PNM Exhibit WWG-2 for a complete list of projects included in the Capital Investment Period.

**Q. Has PNM experienced inflationary pressures with regard to the costs of capital projects associated with its generating facilities?**

**A.** Yes. Like the rest of the utility industry, PNM has experienced overall increases in the costs of its capital projects for generating facilities, similar to those that PNM witness Flores-Olivas describes for T&D projects.

Generation capital investment costs have been subject to sustained upward market pressures associated with equipment and material price escalation, supply-chain constraints, longer procurement lead times, inflation, contractor and skilled-labor cost increases, and heightened competition for construction resources. These conditions affect the cost and availability of the equipment, materials, engineering, and construction services required to execute Generation projects safely and reliably. As discussed above, PNM reflects these conditions using the most current

and project-specific estimating information reasonably available, rather than applying a single general inflation factor to all Generation projects.

**Q. Can you please describe the core strategic objectives Generation used to align project investments during the Capital Investment Period?**

**A.** The capital projects included in the Capital Investment Period align under the following strategic objectives:

- Customer Delivery
- Energy Transition
- Reliability and Resiliency
- Compliance
- Safety and Security
- General Services
- Technology Advancements

**Q. How have you organized your discussion of the Generation capital investments in the Capital Investment Period?**

**A.** I use PNM's integrated system planning categories to organize my discussion of the Generation investments in this proceeding:

- PNM Owned Generation
- Joint Owned Generation
- Generation – Solar/Battery

- Distribution Battery Capacity

**Q. What are PNM's total Generation capital investments during the Capital Investment Period?**

A. PNM's total generation capital investments during the Capital Investment Period are $467.2 million. PNM Exhibit WWG-2 provides project-level support for those projected investment clearings. PNM Table WWG-6 summarizes investments by generation resource or resource type for renewable resources. PNM's solar and battery projects are included within the Renewables category.

**PNM Table WWG-6**
**Capital Investments by Generation Resource**

| Site | Capital Investments |
|---|---|
| Afton | $14,571,681 |
| Four Corners | $17,553,990 |
| La Luz | $4,933,376 |
| Lordsburg | $11,027,593 |
| Luna | $5,904,478 |
| Palo Verde | $49,167,616 |
| Reeves | $15,641,989 |
| Renewables | $340,803,931 |
| Rio Bravo | $7,635,194 |
| **TOTAL** | **$467,239,847** |

The vast majority, $340.8 million, of PNM's generation resource investments over the Capital Investment Period is related to renewable resources.

**Q. What is the total PNM generation capital investment by integrated system planning areas in the Capital Investment Period?**

**A.** Please see PNM Table WWG-7 for a summary of PNM's capital investments by integrated system planning category. PNM Tables WWG-6 and WWG-7 provide different views of the same projected capital clearings during the Capital Investment Period and are not additive.

**PNM Table WWG-7**
**Generation Capital Investments – Integrated Plan**

| Integrated Plan Category | Capital Investments |
|---|---|
| PNM Owned Generation | $53,809,832 |
| Joint Owned Generation | $72,626,085 |
| Generation - Solar\Battery | $265,397,086 |
| Distribution Battery Capacity | $75,406,845 |
| **TOTAL** | **$467,239,847** |

**Q. Please describe the types of projects included in the PNM Owned Generation category.**

**A.** This category of investment contains the capital additions for maintaining or improving reliability, security, and ensuring regulatory compliance of PNM's existing generation fleet and supporting departments. As indicated in PNM Table WWG-8, the total investments in this category amount to $53.8 million during the Capital Investment Period. PNM Exhibit WWG-2 provides a list of Generation projects in the PNM Owned Generation category. Examples of projects included in this category include:

- 70316325 ($6,818,351) – Lordsburg U2 Depot Visit: This project is a major overhaul/rebuild of the Lordsburg Unit 2 gas turbine, which has reached the end of its useful life.
- 70717528 ($6,608,154) – Afton Outage Plant Capital 2028: This project is to replace the Continuous Emissions Monitoring System and other vital operational parts to keep the combustion and steam turbine units operating in a safe and reliable manner.
- 71316127 ($5,504,369) – Reeves U3 Boiler Economizer 2028: This project is to replace the upper and lower economizer tube bundles to keep Unit 3 operating in a safe and reliable manner.
- 70316126 ($3,794,044) – Lordsburg U1 Depot Visit: This project is a major overhaul/rebuild of the Lordsburg Unit 1 gas turbine, which has reached the end of its useful life.

**Q. Can you please provide a benefit-cost ratio and net benefits for the projects in the PNM Owned Generation category?**

**A.** PNM Table WWG-8 contains the total capital costs, total benefits net present value ("NPV"), total costs NPV, net benefits, and benefit-cost ratio ("BCR") for the capital investments in the PNM Owned Generation Programs during the Capital Investment Period. A BCR over 1.0 indicates the benefits outweigh the costs. The average BCR for these investments is 10.31. PNM utilized its Copperleaf Software

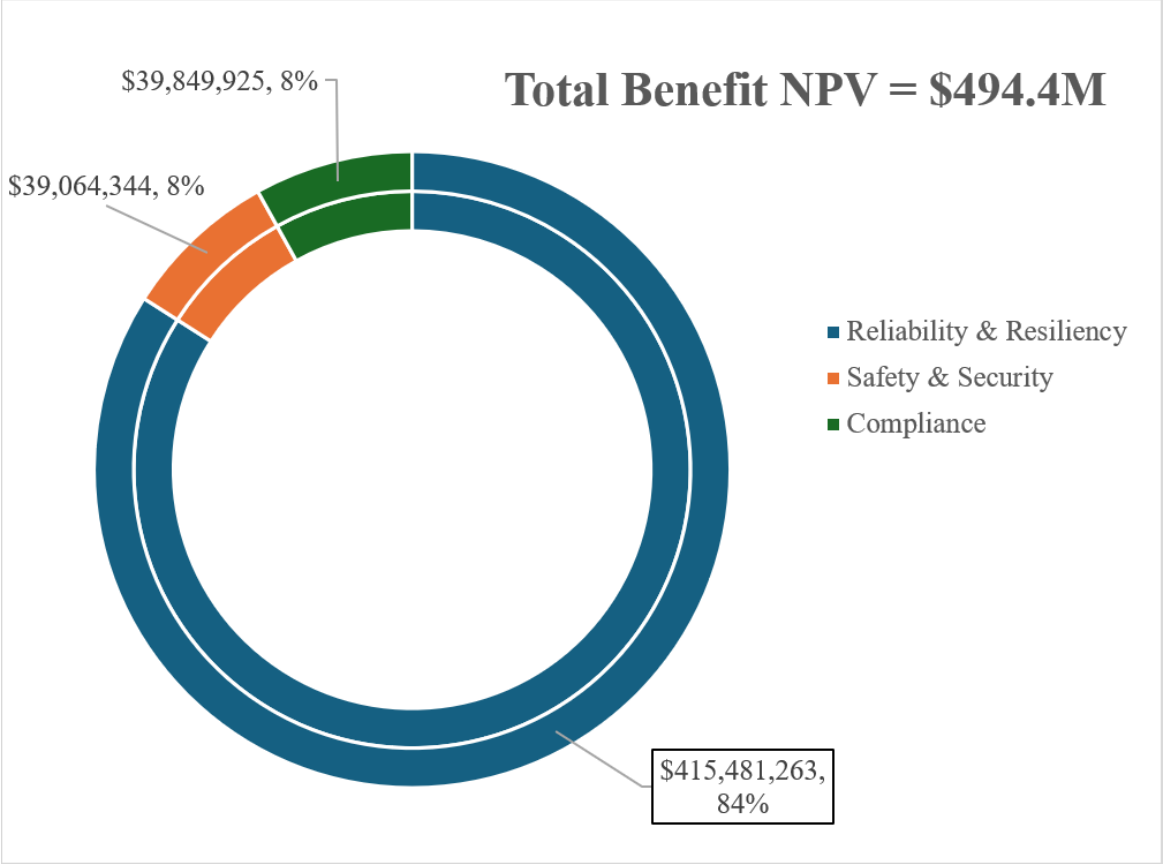
to generate the NPV, net benefits, and BCRs for all generation capital projects. The Copperleaf Software is explained in more detail by PNM witness Flores-Olivas.

**PNM Table WWG-8**
**PNM Owned Generation BCR**

| Program Area | Total Cost ($) | Total Benefit NPV ($) | Total Cost NPV ($) | Net Benefit ($) | BCR |
|---|---|---|---|---|---|
| Generation - AM Programs | $53,638,271 | $494,395,532 | $64,357,227 | $430,038,305 | 10.31 |

PNM Figure WWG-1 illustrates the Total Benefits NPV and the percentage of benefits in the PNM Owned Generation investments that contribute to each strategic objective.

**PNM Figure WWG-1**
**PNM Owned Generation - NPV by Strategic Objectives**



**Q. Please describe the types of projects included in the Joint Owned Generation category.**

A. This category of investment contains the capital additions necessary to maintain safe and reliable operations for Luna, Four Corners, and Palo Verde. As indicated in PNM Table WWG-9, the total investment in this category amounts to $72.6 million during the Capital Investment Period. Please see PNM Table WWG-9 for a summary of projects in the Joint Owned Facilities Category.

**PNM Table WWG-9**
**Generation Capital Investments – Joint Owned Facilities**

| Project # | Project Name | Capital Investment |
|---|---|---|
| 71519017 | Four Corners Facility Improvements | $17,028,695 |
| 71519117 | Four Corners Facility - Switchyard | $525,296 |
| 72123410 | PV U1 | $6,420,907 |
| 72223410 | PV U2 | $17,046,114 |
| 72323410 | PV U3 | $10,803,068 |
| 72423410 | PV common | $12,181,695 |
| 72523410 | PV water reclamation | $2,715,833 |
| 74416027 | Luna Capital Planned Outage 2027 | $784,120 |
| 74416028 | Luna Capital Improvements 2028 | $552,694 |
| 74416126 | Luna Capital Improvements 2026 | $776,402 |
| 74416127 | Luna Capital Improvement 2027 | $1,839,886 |
| 74416128 | Luna Capital Planned Outage 2028 | $103,333 |
| 74417025 | Luna Capital Planned Outage 2025 | $123,826 |
| 74417125 | Luna GT 2 GSU Transformer Replacement | $801,887 |
| 74417126 | Luna Capital Planned Outage 2026 | $920,620 |
| 74416025 | Luna Capital Improvements 2025 | $1,710 |
| | **TOTAL** | **$72,626,085** |

**Q. Did PNM perform benefit-cost analyses for the Joint Owned Generation category?**

A. The analysis differs depending on whether PNM or another owner operates the facility. PNM does not independently perform benefit-cost analyses for capital projects at Palo Verde and Four Corners because APS is the operating agent and develops the proposed projects and budgets through the applicable owner-review process.

PNM reviews the proposed scope, cost, timing, operational need, and supporting information; participates in the ownership committees; and votes on the proposed capital budgets in accordance with the applicable ownership agreements. Once approved, PNM is contractually responsible for its ownership share of the projects. The Palo Verde and Four Corners investments included in PNM Exhibit WWG-2 address safety, regulatory and environmental compliance, equipment condition, reliability, and continued facility operation.

PNM does perform benefit-cost analyses for projects at Luna, where PNM serves as operating agent, using the same general project-evaluation framework applied to PNM-operated facilities.

**Q. Please describe the types of projects included in the Generation – Solar/Battery category.**

A. This category contains the capital additions for investments in generation resources included in the Solar/Battery category. PNM Table WWG-10 summarizes capital investments in the Generation – Solar/Battery category, with total investment in this category of $265.4 million during the Capital Investment Period. This category includes two projects:

- 70518224 ($10,059,702) – Sandia Battery. This is a utility-owned stand-alone storage project (60 MW, 4-hour) located near the Sandia Substation in Albuquerque. This project was approved in NMPRC Case No. 23-00353-UT, and a portion of the Sandia Battery investments was included in PNM's last rate case proceeding.
- 70518526 ($255,337,383) – Sunbelt Solar and Storage Facility. This project was approved in NMPRC Case No. 24-00271-UT and involves the construction of a 100 MW solar facility and 50 MW of 4-hour battery storage located south of the retired San Juan site.

Please see PNM Table WWG-10 for a summary of capital investments in the Generation – Solar/Battery category.

**PNM Table WWG-10**
**Generation Capital Investments – Generation – Solar/Battery**

| Project # | Project Name | Capital Investment |
|---|---|---|
| 70518224 | Sandia Battery Storage 60MW | $10,059,702 |
| 70518526 | Sunbelt Solar and Storage Facility | $255,337,383 |
| | **TOTAL** | **$265,397,086** |

The Sandia Battery and Sunbelt Solar and Storage facilities were not included in the BCR process because the Commission reviewed these resources through the regulatory process, where it examined their anticipated costs and benefits.[3]

**Q. Please describe the project included in the Distribution Battery Capacity category.**

**A.** This category of investment contains a single project, Distribution Battery Capacity Expand Phase 2, to add five 6 MW 4-hour battery storage facilities to PNM's distribution system. As indicated in PNM Exhibit WWG-2, the total investment in this category amounts to $75.4 million during the Capital Investment Period.

**Q. Can you please provide a benefit-cost ratio and net benefits for the project in the Distribution Battery Capacity Plan program?**

**A.** PNM Table WWG-11 contains the total capital clearing, total benefit NPV, total costs NPV, net benefit, and BCR for the capital investments in the Distribution Battery Capacity category during the Capital Investment Period. A BCR over 1.0 indicates the benefits outweigh the costs. The BCR for this project is 0.0. This

[3] NMPRC Case No. 23-00353-UT and NMPRC Case No. 23-00162-UT.

project was undertaken despite the BCR to continue PNM's work to comply with provisions of the ETA, to help alleviate congestion on distribution feeders, and to further enable customers to connect more rooftop solar to the system.

**PNM Table WWG-11**
**Distribution Battery Capacity BCR**

| Investment Name | Total Cost ($) | Total Benefit NPV ($) | Total Cost NPV ($) | Net Benefit ($) | BCR |
|---|---|---|---|---|---|
| 70518223 - Dist Battery Capacity Expand Phs 2 | $75,406,845 | $0 | $69,971,946 | $69,971,946 | 0.00 |

## VII. PALO VERDE NUCLEAR FUEL

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

**A.** I explain and support the fuel costs for Palo Verde.

**Q. Please describe the cost of the nuclear fuel used by Palo Verde to generate electricity.**

**A.** As part of operating Palo Verde, APS purchases, processes, and maintains nuclear fuel inventories. Palo Verde generally operates each unit on an 18-month refueling cycle. After the 18-month cycle, approximately 40% of the fuel rods will require replacement due to the nuclear fission process. As this is a tightly controlled nuclear reaction, the physical amount of fuel required to run the station is known with great accuracy. This enables very accurate forecasts of the future nuclear fuel requirements.

APS provides PNM and the other owners with forecast information concerning the capital costs associated with nuclear fuel. The forecasted nuclear-fuel purchases, processing costs, refueling activity, amortization, and ending inventory balance are presented in Rule 530 Schedule B-7 for the linkage data and Test Period. After taking into account forecasted purchases, refueling, and nuclear fuel amortization, the forecasted nuclear fuel capital account balance at the end of the Test Period, September 30, 2028, is $61.8 million. PNM relies on APS-provided information to forecast its ownership share of nuclear fuel capital requirements. PNM witness Gutierrez presents nuclear fuel amortization, accounting treatment, jurisdictional allocation, and rate-base inclusion.

## VIII. REEVES

**Q. What is PNM's current operational expectation for Reeves?**

**A.** As addressed in NMPRC Docket 26-0000114, PNM has determined that it is in the interest of customers for Reeves to remain in service through 2044 to support reliable service as additional renewable energy and storage resources are integrated into PNM's system. The projects included in PNM Exhibit WWG-2 for Reeves are limited to projects expected to clear during the Capital Investment Period.

## IX. OUTAGE COST NORMALIZATION

**Q. Do you agree that the methodology used by PNM witness Gutierrez to normalize planned-outage costs provides a representative annual estimate of Generation O&M?**

A. Yes. Power plants are subject to periodic scheduled outages so that major maintenance can be performed. Outages are typically very cost-intensive. Planned outages at Palo Verde typically take place about every 18 months on each unit. Because of the varying outage schedules for Palo Verde, the Base Period is not representative of the average major planned outage costs. Therefore, a six-year period was determined to provide the most representative of the average major planned outage costs.

**Q. Are the planned outage schedules for PNM-owned natural gas plants different than for the baseload plants?**

A. Yes. The PNM-owned gas plants are operated on an as-needed basis and their outage schedules are based on gas turbine operating hours and effective starts, not on a calendar cycle like Palo Verde. Depending on the varying annual capacity factors, the gas plants' outage periods can range from three to five years. Therefore, a six-year outage period is an appropriate length of time to capture and average the major planned outage costs for the gas plants.

**Q. Please describe the analysis that was performed to determine the adjustments that PNM witness Gutierrez utilized.**

A. PNM identified the qualifying planned outage expenses recorded from July 1, 2020, through June 30, 2026, and calculated an annual average over that six-year period. The period captures multiple outage cycles for Palo Verde and PNM's natural-gas generating units and reduces the effect of an unusually high or low outage year. PNM Exhibit RNG-4, Workpaper OM-7, provides the annual plant-level expenses, included accounts, exclusions, and normalized adjustment. This is a reasonable approach to capture representative O&M costs for these resources during the Test Period.

**Q. Is PNM proposing any outage cost normalization for Four Corners during the Test Period?**

A. No. PNM is not proposing a separate planned-outage normalization adjustment for Four Corners in this case because no major outage is contemplated during the Test Period, and PNM plans to operationally exit the plant in 2031. PNM witness Dane A. Watson explains the depreciation treatment, and PNM witness Gutierrez presents the accounting treatment reflected in the Test Period.

## X. SAN JUAN COAL MINE RECLAMATION

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

**A.** In the 2024 Rate Case, PNM was authorized to create a regulatory asset to track the eligible San Juan Mine reclamation liability costs in excess of the amounts financed under the energy transition bonds issued pursuant to the ETA. The initial amount of the regulatory asset was $17.0 million. PNM now seeks to increase that regulatory asset to $26.8 million based on updated mine-reclamation studies as well as other fluctuations in the regulatory asset balance. I support the operational basis and reasonableness of the updated mine-reclamation estimate. PNM witness Gutierrez supports the associated accounting treatment, regulatory-asset amount, and requested recovery.

**Q. What is the basis for the San Juan coal mine reclamation liability?**

**A.** The San Juan owners are financially responsible for reclamation of the mines that supplied coal to operate San Juan to provide energy to customers. To assure that there are funds available to pay for final mine reclamation, PNM and the other eight past and present owners of San Juan entered into the Mine Reclamation and Trust Funds Agreement ("MRTFA"), under which each owner is required to maintain in trust a pro-rata share of the funds needed to pay for final coal mine reclamation.

**Q. What coal mine reclamation activities are required to be conducted?**

**A.** The major remaining mine reclamation activities and associated costs are expected to occur between now and 2029 as the work of filling the remaining former surface mine pit and demolition and removal of the mine infrastructure and facilities are completed. Following completion of the earthwork and revegetation activities, the San Juan mine will enter a minimum 10-year regulatory monitoring phase to ensure proper establishment of vegetation and drainage. PNM and the other San Juan owners will continue to incur costs during this reclamation phase.

**Q. How is the amount of San Juan coal mine reclamation liability determined?**

**A.** Coal Mine Reclamation studies, mandated by and performed in accordance with provisions in the MRTFA, are periodically commissioned by the San Juan owners and are conducted by mining industry consultants. The studies identify the remaining land disturbances and mine-related infrastructure that requires reclamation, demolition, and removal in order to establish proper landform, drainage, and vegetation growth in conformance with all federal and state requirements. These studies also estimate the costs associated with performing the required mine reclamation and coal mine decommissioning activities.

**Q. Have there been any updated mine reclamation studies since the San Juan Mine reclamation regulatory asset was established in the 2024 Rate Case?**

A. Yes. PNM retained the services of WSP USA Inc., and they conducted updated mine reclamation studies in Q3 2024 and Q3 2025, resulting in a net increase to the total cost for underground mine reclamation of $6.2 million. For details of the accounting associated with the liability and regulatory asset, please see the direct testimony of PNM witness Gutierrez.

**Q. Are the updated mine reclamation studies a reliable estimate of PNM's future San Juan mine reclamation liabilities?**

A. Yes. These studies were performed in accordance with applicable industry standards and are a reliable estimate of future mine reclamation costs for the former San Juan Mine. The retirement and abandonment of the San Juan Generating Station ended the need for the coal supplied by the mine, but the costs addressed in this section are mine-reclamation costs, not generating-station abandonment costs.

**Q. Why is it appropriate for PNM to recover the incremental cost related to San Juan Coal Mine Reclamation in this case?**

A. PNM believes it is appropriate to seek recovery of these costs in the regulatory asset now and spread the costs over the remaining life of the bonds. This approach will reduce the impact of the potential true-up of costs in the future. PNM recognizes these estimates will continue to be updated to reflect the final reclamation costs,

but continuing recovery of known increases helps minimize greater true-ups when costs are final. PNM will continue to include updated true-ups (increases or decreases) in future rate proceedings.

## XI. BESS FUNCTIONALIZATION

**Q. Please explain what is at issue regarding the functionalization of the various BESS installations that operate on PNM's system.**

**A.** PNM's battery-storage facilities provide energy storage capacity and also support transmission and distribution operations. The services each facility provides depend on its location, design, and expected operation.

The 30 MW of distribution-connected batteries can discharge energy to support PNM's system and can also address local distribution needs, including voltage support, power quality, hosting capacity, and integration of distributed-energy resources. The Sandia BESS and BESS resources operating under ESAs can provide energy and capacity and may also support transmission operations, including congestion management and other system needs.

PNM witness Matthew T. Larkin presents the proposed BESS functionalization methodology, resulting functionalization percentages, and the allocation of those costs among customer classes.

**Q. Please explain how PNM plans to operate the 30 MW of distribution BESS.**

**A.** PNM expects to operate the five 6 MW, four-hour distribution BESSs in coordination with existing solar facilities to provide both system energy and local distribution benefits. Each battery has 24 MWh of storage capacity, for a combined capability of up to 120 MWh.

PNM generally expects the batteries to begin the solar-production period with available storage capacity, charge as solar output increases, and discharge over an extended period as solar production declines or customer demand increases. PNM's initial operating concept is to manage each battery, where system conditions permit, as approximately a 2 MW, 12-hour resource. This approach reduces the solar output delivered to the feeder above a selected threshold, creates feeder headroom, supports voltage and thermal limits, and provides energy and capacity during lower-solar or higher-demand periods.

Actual charging thresholds and discharge schedules may vary by site and season based on solar-facility capacity, feeder conditions, customer demand, solar production, battery state of charge, equipment limitations, and other operational needs. The upgraded power plant controllers will coordinate the solar and battery resources, and PNM expects future integration with its Advanced Distribution Management System and Distributed Energy Resource Management System to further optimize operation.

This operating strategy allows the distribution BESS to provide energy and capacity while also creating feeder headroom, supporting voltage and thermal limits, and increasing hosting capacity for additional customer load and distributed-energy-resource interconnection.

Hosting capacity constraints on various feeders on PNM's distribution system inhibit customers from incorporating additional distributed generation ("DG") and delay PNM's effort to integrate more DG on its system. The distribution BESSs address, at least in part, these hosting capacity constraints on these distribution feeders by acting as a load via storing energy from solar DG to be used for hours of non-solar DG production. The distribution BESSs also aid in maintaining voltage and thermal limits within design parameters on the distribution system, as discussed by PNM witness Omni Warner in PNM's application for a certificate of convenience and necessity to construct the 30 MW of distribution batteries.[4] These facilities therefore provide both production and distribution benefits.

[4] Case No. 23-00162-UT, Direct Testimony of PNM witness Omni Warner, at 18:4-5. See also *id.* at 36:2-8 ("With the ability to start and reach full discharge capacity (reflecting a system generator) or full charging capacity (reflecting a system load) within seconds[, the distribution batteries] provide[] very favorable ancillary service capabilities to facilitate grid reliability and system stability. Ancillary service capabilities that can be provided include contingency reserves, regulation (up and down), voltage control, and frequency response, among others.").

**Q. How do the ESAs and Sandia BESS provide production and transmission benefits to PNM?**

A. Like the 30 MW of distribution batteries, the ESAs and Sandia BESS are key flexible resources in PNM's system, acting as both a provider of energy as needed and as a load to support or provide other utility services for the transmission system, like frequency regulation and voltage support. PNM system operators will be able to use the BESSs (specifically the ESAs and Sandia BESS) as multifunctional assets serving as load or generation to alter flows on the transmission system to reduce congestion, to provide ancillary services if required, to provide capacity when the system needs it most, and to increase demand when the system is flooded with excess solar production.

## XII. 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 to ensure the Company can meet customers' demand for electric service. I cover the T&D projects shown in Exhibits WWG-3 (Transmission) and WWG-4 (Distribution), which are reliability-based projects for PNM. The remainder of the T&D capital projects is covered in the testimony of PNM witnesses Flores-Olivas and Sanchez. There is no overlap between the T&D

investments and expenses I address and those addressed by PNM witnesses Flores-Olivas and Sanchez.

**Q. Why must PNM continue investing in its T&D system?**

**A.** PNM must continue replacing and upgrading aging transmission, distribution, and substation assets to maintain safe and reliable service. Many of PNM's poles, conductors, cables, transformers, and other system components have been in service for several decades and are approaching or exceeding their expected service lives. PNM uses asset condition, inspection results, failure and outage history to identify equipment and system conditions requiring replacement or system-hardening work

When replacing aging infrastructure, PNM applies current design standards and, where appropriate, increases system capacity and operational flexibility to accommodate bidirectional power flows and changing customer and resource needs. Since its last general rate case, PNM has completed or advanced projects addressing aging infrastructure, reliability, capacity, wildfire risk, and Grid Modernization. Significant work remains because PNM continues to operate a large population of aging equipment and many system programs must be completed over multiple budget periods. The projects addressed in this case represent the next phase of those multi-year programs.

The average service life of the T&D equipment is defined as the useful life expectancy of the equipment based on several factors including environment, temperature, loading, cycling, and operational history, typically 40-60 years. Many of PNM's transmission, distribution, and substation assets are currently or will be past their average service life within the next 10 years. These investments are required today to keep pace with aging infrastructure and delaying asset replacement would result in even higher costs in the future.

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

**A.** Yes. PNM has over 6,000 miles of underground distribution cable, and almost 40% are past the end of service life. Aging direct-buried cables are failing at an increasing rate, causing customer outages and potentially damaging adjacent cable systems.

PNM's programmatic replacement work installs modern cable, generally in conduit, with increased current-carrying capacity. Installing cable in conduit facilitates future repair or replacement and reduces the need for repeated excavation. Where appropriate, PNM also completes feeder loops to provide alternate service paths when a cable section is out of service.

These investments reduce the risk and duration of outages, improve worker and customer safety, increase system resilience, and provide incremental capacity to

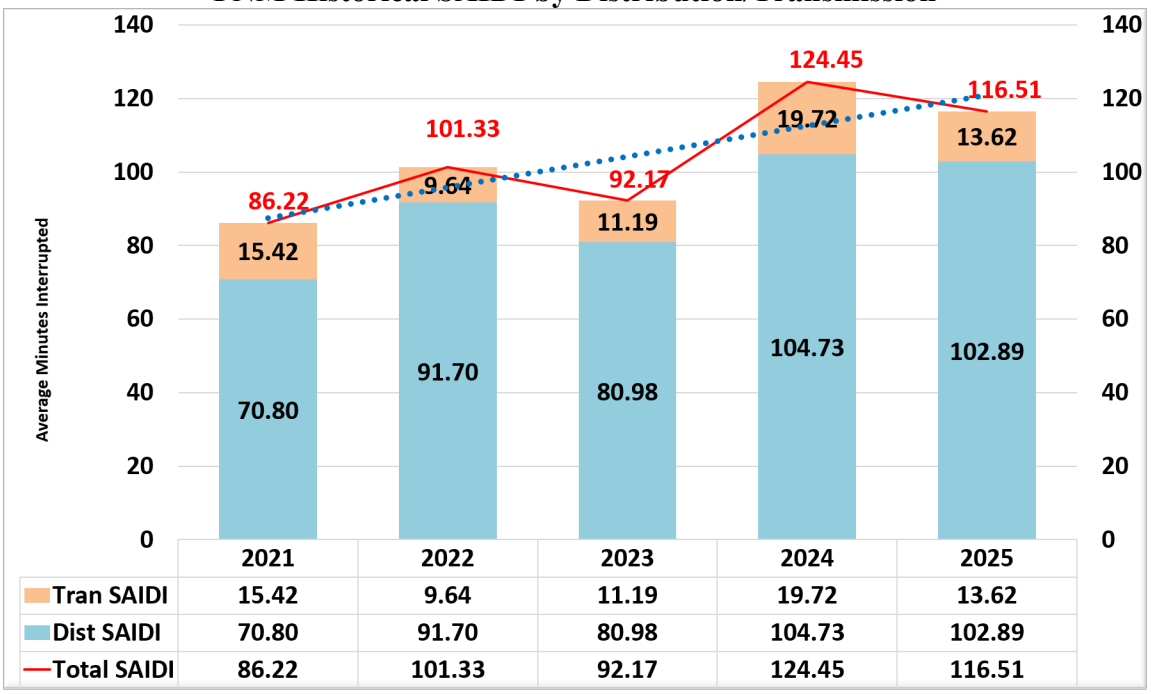
accommodate increasing load density and changing customer needs. Smaller replacements involving subdivisions or feeder segments are included in the Asset Management - Programs category.

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

**A.** PNM is committed to maintaining and improving 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. PNM tracks outage causes and plans to correct trends or issues that impact system performance. Industry indexes known as System Average Interruption Duration Index ("SAIDI"), System Average Interruption Frequency Index ("SAIFI"), and Customer Average Interruption Duration Index ("CAIDI") are common measurements for distribution system performance and PNM seeks to minimize the interrupted minutes. Events on the transmission system that cause outages on the distribution-connected customers are represented in the transmission portion of the tables below. PNM Figure WWG-2 is the five-year historical SAIDI on the PNM system. The blue dotted line in each figure below represents the five-year trend, which shows the trend over the past 5 years.

**PNM Figure WWG-2**

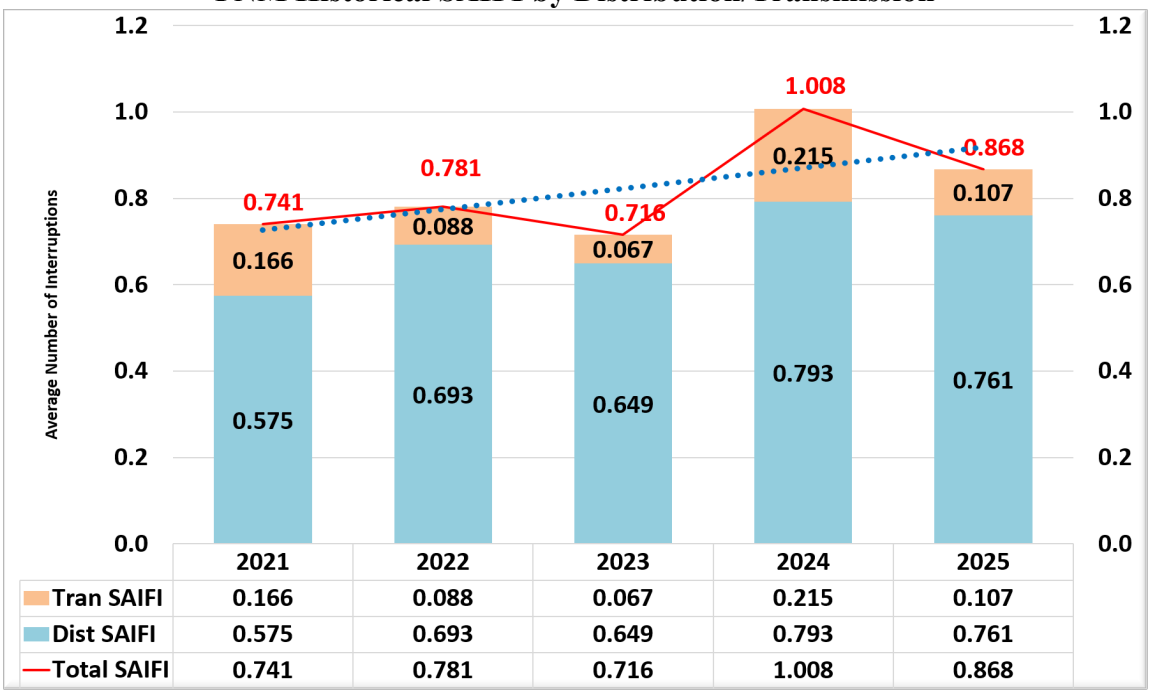
**PNM Historical SAIDI by Distribution/Transmission**




| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Tran SAIDI | 15.42 | 9.64 | 11.19 | 19.72 | 13.62 |
| Dist SAIDI | 70.80 | 91.70 | 80.98 | 104.73 | 102.89 |
| Total SAIDI | 86.22 | 101.33 | 92.17 | 124.45 | 116.51 |

PNM Figure WWG-3 is the five-year historical SAIFI on the PNM system.

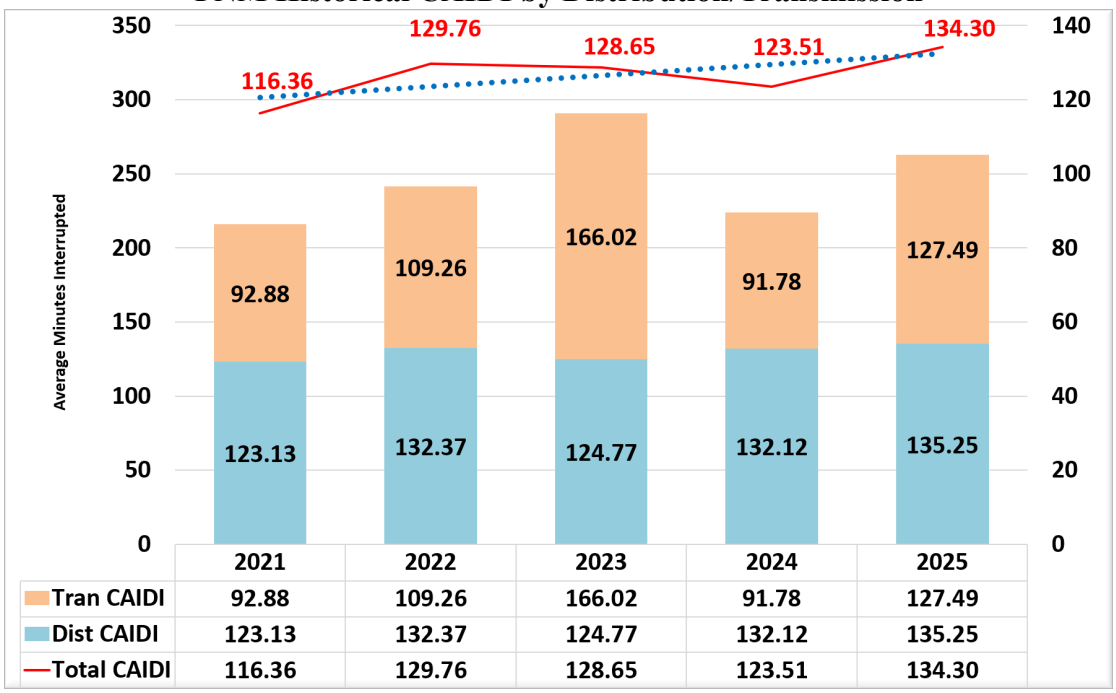
**PNM Figure WWG-3**
**PNM Historical SAIFI by Distribution/Transmission**




| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Tran SAIFI | 0.166 | 0.088 | 0.067 | 0.215 | 0.107 |
| Dist SAIFI | 0.575 | 0.693 | 0.649 | 0.793 | 0.761 |
| Total SAIFI | 0.741 | 0.781 | 0.716 | 1.008 | 0.868 |

PNM Figure WWG-4 is the five-year historical CAIDI on the PNM system.

**PNM Figure WWG-4**
**PNM Historical CAIDI by Distribution/Transmission**




**Q. Does PNM track the outage causes and develop plans to address the causes?**

**A.** Yes. The five top outage causes are trees, transmission 46/69/115kV outages, cable faults, lightning, and unknown conditions or causes not found. PNM Table WWG-12 illustrates the top outage causes by SAIDI minutes for the last 5 years.

**PNM Table WWG-12**
**PNM Five-year Top Outage Causes**

| Cause | 2021 | 2022 | 2023 | 2024 | 2025 | Avg |
|---|---|---|---|---|---|---|
| Trees | 13.1 | 14.1 | 19.7 | 28.2 | 11.0 | **15.2** |
| Transmission Line 46/69/115 kV | 4.9 | 9.6 | 11.2 | 18.4 | 13.4 | **11.3** |
| Cable Fault (Primary) | 8.2 | 9.9 | 11.4 | 11.6 | 10.5 | **9.8** |
| Lightning | 10.2 | 9.1 | 4.8 | 9.2 | 11.8 | **9.0** |
| Unknown/Not Found | 3.9 | 8.4 | 4.4 | 4.3 | 10.1 | **6.4** |

PNM uses outage-cause information, together with asset condition, inspection results, failure history, system configuration, and operational risk, to identify and prioritize corrective work. The wildfire mitigation and vegetation management expenses addressed in my testimony respond to tree and vegetation risks. PNM's cable-replacement and feeder rebuild programs address recurring underground cable failures, while its lightning mitigation and transmission rebuild programs address other recurring outage causes.

Reliability performance reflects the cumulative effect of investments and operating practices, making it difficult to attribute improvements to a single project. PNM's asset management program and operating activities prioritize work to reduce outage frequency and duration. Maintaining and improving reliability requires sustained, long-term investment to address aging infrastructure, not simply a series of isolated projects.

**Q. Please describe PNM's investment to improve customer power quality.**

**A.** PNM has continued investment and collaboration on improving customer power quality, including work to determine momentary average interruption frequency index ("MAIFI") and customers affected by momentary interruptions. While MAIFI is not currently being reported, projects associated with PNM's Grid Modernization effort will enable PNM to compute MAIFI more accurately, and the reporting of this metric will be re-evaluated. PNM currently tracks momentary

interruptions for feeder breakers, but many field-deployed non-SCADA devices on the system could also cause momentary interruptions. PNM has no means to track momentary interruptions from these devices, and until that capability is installed, the MAIFI calculation would be inaccurate. PNM has installed numerous SCADA-capable field devices to report momentary interruptions, reduce them, and improve customers' overall power quality.

## XIII. T&D CAPITAL PROJECTS CLEARING DURING THE CAPITAL INVESTMENT PERIOD

**Q. What T&D capital projects do you support in this section of your direct testimony?**

**A.** I support the T&D capital projects identified in PNM Exhibits WWG-3 (Transmission) and WWG-4 (Distribution). These projects primarily consist of Grid Modernization, distribution asset-replacement and upgrade programs, reliability and resilience investments, wildfire-mitigation projects, lighting, telecommunications, joint-use, pole and structure replacement, cable replacement, and other asset-management investments assigned to me.

**Q. What factors does PNM consider when prioritizing the T&D projects that you address?**

**A.** PNM prioritizes T&D projects based on asset conditions, inspection results, outage and failure history, safety, reliability, regulatory and environmental compliance,

wildfire exposure, operational risk, customer needs, project timing, available alternatives, and cost. PNM prioritizes projects that address significant safety, compliance, reliability, or wildfire risks, as well as projects where delaying the work would increase the likelihood or consequences of equipment failure, customer outages, or higher future costs. Projects are then sequenced within available capital funding, workforce, permitting, outage, and construction constraints.

**Q. Has the Company performed a Benefit-Cost analysis for the T&D projects included in the Capital Investment Period which are addressed in your testimony?**

**A.** Yes. PNM provides a benefit-cost analysis at the individual capital project-level and summarizes it at the system planning level. The benefit-cost analysis illustrates the results of the value-based analysis PNM is undertaking to analyze and evaluate its capital projects. The benefit-cost analyses support the selection of the T&D capital projects included in the Capital Investment Period. This analysis provides the Commission and stakeholders transparency into how PNM evaluates 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.

**Q. What is the Company's forecast of the total T&D capital clearings through the end of the Capital Investment Period?**

A. PNM's reliability-based T&D capital forecast through the end of the Capital Investment Period is $492.3 million. PNM's T&D capital investment clearings anticipated during the Capital Investment Period are summarized in PNM Table WWG-13, organized by the Company's integrated system planning areas.

**PNM Table WWG-13**
**T&D Capital Clearings**

| T&D Categories | Capital Investments |
|---|---|
| Asset Management - Blankets | $100,110,751 |
| Asset Management - Programs | $116,741,192 |
| Grid Modernization | $256,136,258 |
| Wildfire Mitigation | $19,264,942 |
| T&D Projects <$25,000 | $71,885 |
| **TOTAL** | **$492,325,028** |

The jurisdictional allocations of these investments are discussed by PNM witness Gutierrez.

**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 WWG-3 (Transmission) and PNM Exhibit WWG-4 (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, is hyperlinked from the project identification numbers on the

table of contents sheet in the electronic versions of PNM Exhibits WWG-3 (Transmission) and PNM Exhibit WWG-4 (Distribution).

Select significant and representative T&D asset management capital investments that clear during the Capital Investment Period are described below, organized by the areas of integrated system planning objectives. I address the categories of T&D Capital investments in the subsections below.

### *A. Grid Modernization Capital Investments*

**Q. How are Grid Modernization investments treated in this filing?**

**A.** PNM's Grid Modernization rider remains in effect through September 30, 2027. Beginning October 1, 2027, eligible Grid Modernization investments reflected in the Test Period transition to base-rate recovery. The Grid Modernization capital investments are classified as distribution-related. PNM witness Gutierrez addresses the accounting treatment and inclusion of Grid Modernization investments and expenses in base rates. Grid Modernization investments reflected during the Test Period are contained in PNM Exhibit WWG-4 (Distribution).

**Q. Please summarize the capital investments in the grouping of Grid Modernization included in the Capital Investment Period.**

A. There are eight capital projects planned in the Grid Modernization group for a total of $256.1 million. PNM Table WWG-14 is a list of Grid Modernization Capital Projects.

**PNM Table WWG-14**
**Grid Modernization Capital Projects**

| Project # | Project Name | Clearings 7/26-9/28 |
|---|---|---|
| 10505323 | Grid Mod - AMI (Advcd Mtrg Infrstr) | $161,908,452 |
| 10505423 | Grid Mod - Distribution Automation | $44,305,584 |
| 10505623 | Grid Mod - Dist Planning & Engineer | $1,571,297 |
| 10528023 | Grid Mod - Customer Info and Analyt | $2,222,319 |
| 10528123 | Grid Mod - Cybersecurity | $4,851,314 |
| 10528223 | Grid Mod – ADMS | $4,065,325 |
| 10528323 | Grid Mod - Data Mgmt & Architecture | $10,306,023 |
| 10534224 | Grid Mod - Telecommunications | $26,905,944 |

***B. Right-OF-WAY ("ROW") Capital Projects***

**Q. What right-of-way capital projects do you support?**

A. I support the Gila National Forest right-of-way projects identified in PNM Exhibits WWG-3 (Transmission) and WWG-4 (Distribution). These projects are necessary to address and support the long-term authorization and rights needed for PNM facilities located within the Gila National Forest, expansion of the current ROW, and vegetation clearing. These investments are reasonable and necessary for PNM to continue to serve customers safely and reliably. PNM Exhibits WWG-3

(Transmission) and WWG-4 (Distribution) identify the applicable funding-project numbers, projected clearings, timing, and project support. PNM witness Gutierrez presents the accounting treatment and amount included in rate base for the Gila National Forest right-of-way projects. PNM witness Flores-Olivas presents and supports the right-of-way O&M expenses.

### *C. Asset Management Capital Investments*

**Q. What do you mean by Asset Management capital investments in your testimony?**

**A.** In my testimony, I use the term Asset Management capital investments to describe investments in PNM's existing transmission and distribution facilities that are needed to replace, rehabilitate, relocate, or upgrade assets based on identified system or equipment needs. Those needs may include asset condition, equipment performance, failure or outage history, safety, reliability, resilience, regulatory or environmental requirements, wildfire exposure, loading, operational constraints, and expected service life. The supporting project documentation identifies the need for the work, alternatives considered, project timing, and the potential consequences of delaying the investment.

**Q. How are the asset-management investments addressed in your testimony organized?**

A. The Asset Management investments are organized into Asset Management-Blankets and Asset Management-Programs. Blankets support recurring, smaller, geographically dispersed, or emergent categories of work, while programs support planned, multi-year asset-replacement and system-improvement needs. The assigned projects and forecasted Capital Investment Period clearings are identified in PNM Exhibits WWG-3 and WWG-4. PNM witness Gutierrez presents the accounting treatment, jurisdictional allocation, and amounts included in PNM's retail revenue requirement.

**Q. Please describe what is meant by "specific" capital projects.**

A. In the context of my testimony, specific capital projects are generally 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 I address include cable replacement programs, customer requested vault relocation, long term permit renewals and ROW expansions.

**Q. Please describe what is meant by a "blanket" capital investment.**

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 of a single utility pole is not large enough to be a specific project and therefore falls into the applicable blanket investment category. Blanket investments fall into these main categories: Distribution Blankets, Transmission Blankets, Substation Blankets, Yearly Projects, and General Plant. Each category includes numerous projects that generally have a cost under $250,000.

**Q. What do Distribution Blanket projects involve?**

**A.** Distribution Blanket projects include recurring distribution work that is not initiated by a customer request for new or upgraded electric service. This work includes the removal and replacement of distribution facilities following equipment failure or identification of deteriorating condition; relocation of facilities for public improvement or facility-conflict projects; minor system improvements to address voltage or capacity conditions, emergent underground distribution cable and pole replacements, and lighting work that is not attributable to a New Service Delivery request.

PNM witness Andrea Sanchez supports all customer-requested New Service Delivery capital, including residential and commercial line extensions, services, meter equipment, transformers, and lighting needed to provide new or upgraded customer service.

*i. Asset Management - Blankets*

**Q. Please summarize the Asset Management - Blankets investments included in the Capital Investment Period.**

**A.** Asset Management – Blankets group recurring work with a common scope that generally does not warrant a stand-alone project. These blankets address emergent equipment failures, identified asset risks, and other unforeseen work. The Capital Investment Period includes 51 Asset Management - Blankets projects totaling $100.1 million, as summarized in PNM Table WWG-15.

**PNM Table WWG-15**
**Asset Management – Blankets Capital Projects**

| Project # | Project Name | Clearings 7/26-9/28 | Dist/Trans |
|---|---|---|---|
| 10000508 | Lighting T&D | $6,229,692 | Distribution |
| 10000607 | Distr. Remove & Replace | $7,138,345 | Distribution |
| 10000608 | Dist. Remove & Replace T&D | $8,202,858 | Distribution |
| 10000707 | Distr. system Improvements | $14,794,058 | Distribution |
| 10001307 | Cable Replacement | $90,747 | Distribution |
| 10001707 | Albuquerque Pure Project | $4,968,927 | Distribution |
| 10002316 | Bird Guard Reliability | $514,420 | Distribution |
| 10002516 | Pole Grounds Co01 | $443,261 | Distribution |
| 14000607 | Distr. Remove & Replace | $826,667 | Distribution |
| 14000707 | Distr. system Improvements | $412,129 | Distribution |
| 15000508 | Lighting T&D | $818,779 | Distribution |
| 15000608 | Distr. Remove & Replace T&D | $8,326,828 | Distribution |
| 15002316 | Bird Guard Reliability Co34 | $932,010 | Distribution |
| 15100607 | Distr. Remove & Replace | $126,605 | Distribution |
| 15100707 | Distr. system Improvements | $410,511 | Distribution |
| 15101807 | Alamogordo Pure Project | $1,212,855 | Distribution |
| 15200607 | Distr. Remove & Replace | $372,471 | Distribution |
| 15200707 | Distr. system Improvements | $1,369,343 | Distribution |
| 15201707 | Ruidoso Pure Project | $690,269 | Distribution |
| 15500607 | Distr. Remove & Replace | $656,259 | Distribution |
| 15500707 | Distr. system Improvements | $1,936,021 | Distribution |
| 15501707 | Silver City Pure Project | $2,887,753 | Distribution |

| Project # | Project Name | Clearings 7/26-9/28 | Dist/Trans |
|---|---|---|---|
| 20000607 | Distr. Remove & Replace | $760,964 | Distribution |
| 20000707 | Distr. system Improvements | $570,094 | Distribution |
| 20001707 | Deming Pure Project | $325,211 | Distribution |
| 30000607 | Distr. Remove & Replace | $82,730 | Distribution |
| 30000707 | Distr. system Improvements | $234,347 | Distribution |
| 41000607 | Distr. Remove & Replace | $1,528,498 | Distribution |
| 41000608 | Distr. Remove & Replace T&D | $1,517,482 | Distribution |
| 41000707 | Distr. system Improvements | $1,828,455 | Distribution |
| 41001707 | Santa Fe Pure Project | $653,751 | Distribution |
| 41002316 | Bird Guard Reliability | $269,019 | Distribution |
| 41002516 | Pole Grounds | $53,267 | Distribution |
| 50000607 | Distr. Remove & Replace | $1,185,719 | Distribution |
| 50000707 | Distr. System Improvements | $988,484 | Distribution |
| 60001715 | Storm Funding Project Co01 | $2,785,275 | Distribution |
| 60002010 | Misc Substation Improvements Blanke | $169,674 | Distribution |
| 60002110 | Misc 46kv Line | $565,891 | Distribution |
| 60002824 | Dist Substation Ground Replacements | $39,199 | Distribution |
| 60003520 | Relay Distribution IA | $94,872 | Distribution |
| 60002920 | Outage Contingency Plan Impr-WFF | $538,340 | Distribution |
| 60005910 | Substation Equipment Replacements B | $2,804,149 | Distribution |
| 89900607 | Distr. Remove & Replace | $383,652 | Distribution |
| 89900707 | Distr. system Improvements | $816,689 | Distribution |
| 90000607 | Distr. Remove & Replace | $35,150 | Distribution |
| 22007110 | Misc. 115kv Trans Imp Blanket | $212,109 | Transmission |
| 64807321 | System Equipment Upgrade-WFF | $157,167 | Transmission |
| 65007010 | Misc. Station Improvements | $92,828 | Transmission |
| 65007110 | Misc. Transmission Blanket | $12,358,353 | Transmission |
| 65007710 | Switch Stations Replacements IA | $5,085,644 | Transmission |
| 65007713 | Trans Sub Ground Repairs Blanket | $290,328 | Transmission |

1

2

**Q. Can you please provide a benefit-cost ratio and net benefit for the projects in the category Asset Management - Blankets and associated measures aligned with the strategic objectives?**

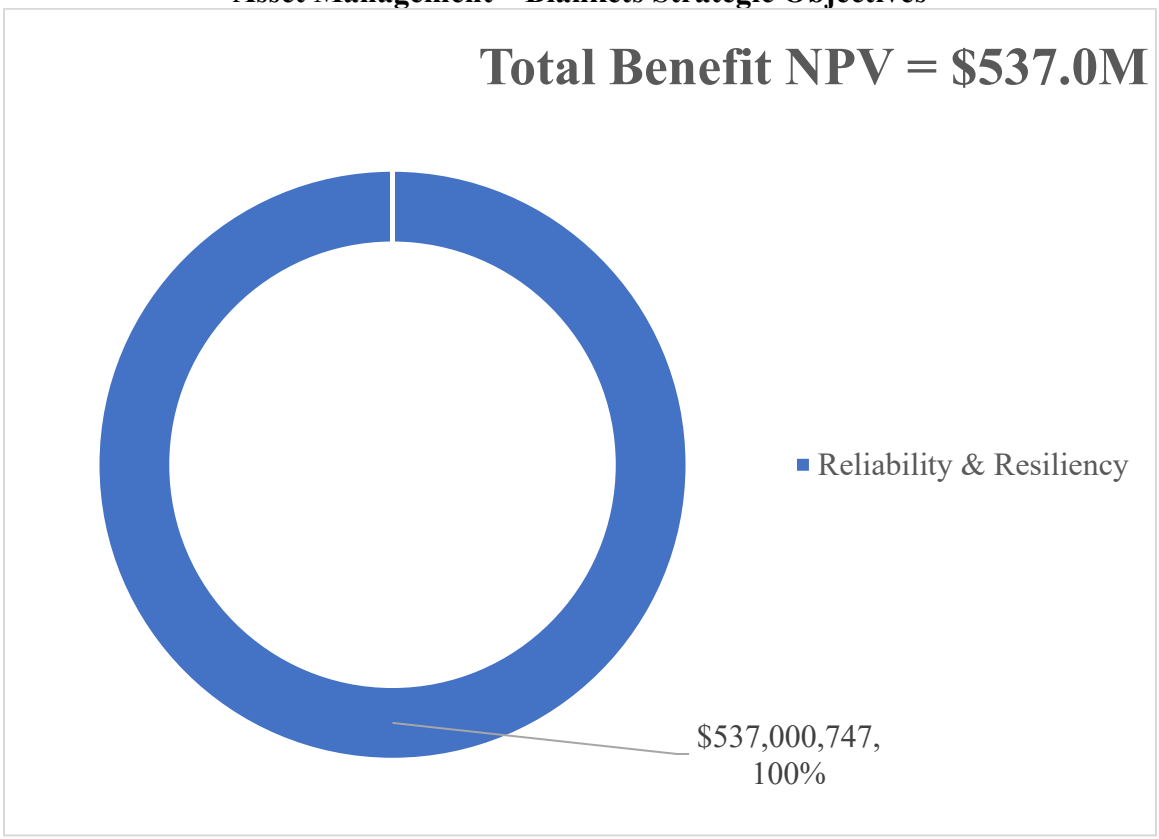
**A.** PNM Table WWG-16 contains the total capital clearing, total benefit NPV, total costs NPV, net benefits, and benefit-cost ratio for the capital investments in the Asset Management - Blankets from July 2026 through September 2028. A BCR over 1.0 indicates the benefits outweigh the costs and the average BCR for these projects is 6.80. PNM utilized its Copperleaf Software to generate the NPV, net benefits, and BCRs for all T&D capital projects.

**PNM Table WWG-16**
**Asset Management - Blankets BCR**

| Program Area | Total Cost ($) | Total Benefit NPV ($) | Total Cost NPV ($) | Net Benefit ($) | BCR |
|---|---|---|---|---|---|
| T&D AM - Blankets | $100,110,751 | $544,048,737 | $230,177,729 | $314,143,008 | 6.80 |

PNM Figure WWG-5 illustrates the Total Benefits NPV and the percentage of benefits in the Asset Management - Blankets investments that contribute to each of the strategic objectives. The Asset Management - Blankets capital investments generate $314.1 million in NPV total benefits.

**PNM Figure WWG-5**
**Asset Management – Blankets Strategic Objectives**




*ii. Asset Management - Programs*

**Q. What principal asset-replacement needs do these Asset Management programs address?**

**A.** The programs address aging or deteriorating poles, underground cable, transformers, reclosers, switchgear, substation equipment, and related line equipment. PNM prioritizes these assets based on condition, failure history, inspection results, safety risk, loading, system configuration, and expected service life. The programs also provide strategic spares for equipment with extended procurement lead times.

**Q. How do these programs improve reliability and resilience?**

**A.** Replacing deteriorating or obsolete equipment reduces the risk of equipment failure and customer outages. Where appropriate, PNM also installs modern monitoring, control, sectionalizing, and automation capabilities that improve system visibility, fault isolation, and restoration.

**Q. Does replacement work also address changing system needs?**

**A.** Yes. When aging facilities are replaced, PNM applies current engineering standards and, where reasonable, installs equipment capable of accommodating expected load growth and changing customer and distributed-resource needs.

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

**A.** There are 44 capital projects planned in the grouping of Asset Management – Programs for a total of $116.7 million. PNM Table WWG-17 is a list of Asset Management - Programs capital projects.

**PNM Table WWG-17**
**Asset Management – Programs Capital Projects**

| Project # | Project Name | Clearings 7/26-9/28 | Dist/Trans |
|---|---|---|---|
| 10001627 | Central OSMOSE Replacements 27-28 | $3,537,613 | Distribution |
| 10001826 | San Pedro Widening | $230,883 | Distribution |
| 10001922 | Overlook Distribution Rebuild | $11,126,590 | Distribution |
| 10002125 | Lightning Mitigation 2025-2026 | $603,332 | Distribution |
| 10002325 | 4th Street and St Mary's Way | $435,997 | Distribution |
| 10002326 | Angel Rd - CRP 23-24 | $108,253 | Distribution |
| 10002425 | Camino Sin Pasada - CRP2324 | $76,040 | Distribution |
| 10005228 | Central Osmose Pole Replacements | $1,167,402 | Distribution |
| 15202025 | Ruidoso Hospital Upgrade | $1,655,392 | Distribution |
| 41001825 | Cerillos Rd | $2,587,058 | Distribution |
| 60001644 | Cable Replacement Program 2023-2024 | $640,255 | Distribution |
| 60001645 | Cable Replacement Program 2024-2025 | $236,072 | Distribution |
| 60001646 | Cable Replacement Program 2025-2026 | $10,576,717 | Distribution |
| 60001647 | Cable Replacement Program 2026-2027 | $14,627,470 | Distribution |
| 60001648 | Cable Replacement Program 2027-2028 | $9,202,121 | Distribution |
| 60001727 | Northern OSMOSE Pole Rplcmnts 27-28 | $7,163,956 | Distribution |
| 60001746 | Dist Struc Replace and Upgrade 2025 | $908,169 | Distribution |
| 60001747 | Dist Struc Replace and Upgrade 2026 | $311,637 | Distribution |
| 60001748 | Dist Struc Replace and Upgrade 2027 | $2,775,853 | Distribution |
| 60001826 | State Wide Private Light Conversion | $3,094,753 | Distribution |
| 60001845 | Switchgear Replace and Upgrade 2024 | $127,277 | Distribution |
| 60001846 | Switchgear Replace and Upgrade 2025 | $838,307 | Distribution |
| 60001847 | Switchgear Replace and Upgrade 2026 | $576,743 | Distribution |
| 60001848 | Switchgear Replace and Upgrade 2027 | $1,494,063 | Distribution |
| 60001927 | Joint Use Make Ready 2027 | $3,592,185 | Distribution |
| 60001945 | Smart Devi Replace and Upgrade 2024 | $224,272 | Distribution |
| 60001946 | Smart Devi Replace and Upgrade 2025 | $1,545,720 | Distribution |
| 60001947 | Smart Devi Replace and Upgrade 2026 | $613,175 | Distribution |
| 60001948 | Smart Devi Replace and Upgrade 2027 | $1,703,403 | Distribution |
| 60002145 | Open Wire Secondary Upgrade 2024-20 | $298,127 | Distribution |
| 60002146 | Open Wire Secondary Upgrade 2025-20 | $1,091,941 | Distribution |
| 60002147 | Open Wire Secondary Upgrade 2026 | $1,106,582 | Distribution |
| 60002148 | Open Wire Secondary Upgrade 2027 | $897,412 | Distribution |

| Project # | Project Name | Clearings 7/26-9/28 | Dist/Trans |
|---|---|---|---|
| 60002226 | Facility Conflicts 2026 | $1,339,947 | Distribution |
| 60002227 | Facility Conflicts 2027 | $1,162,986 | Distribution |
| 60002245 | Distribution Looping 2024-2025 | $1,475,004 | Distribution |
| 60002246 | Distribution Looping 2025-2026 | $4,186,851 | Distribution |
| 60002247 | Distribution Looping 2026-2027 | $2,041,636 | Distribution |
| 60002248 | Distribution Looping 2027-2028 | $3,942,797 | Distribution |
| 60002442 | Not in Service Conductors-WFF | $366,005 | Distribution |
| 60004225 | Distribution Pole Replcmt Prog 2025 | $843,119 | Distribution |
| 60005327 | Northern Osmose Pole Replacements | $4,183,599 | Distribution |
| 60005527 | Joint Use 2028 | $4,950,234 | Distribution |
| 60005726 | Joint Use Make Ready 2026 | $7,074,246 | Distribution |

**Q. Can you please provide a benefit-cost ratio and net benefits for the projects in the category Asset Management - Programs and associated measures aligned with the strategic objectives?**

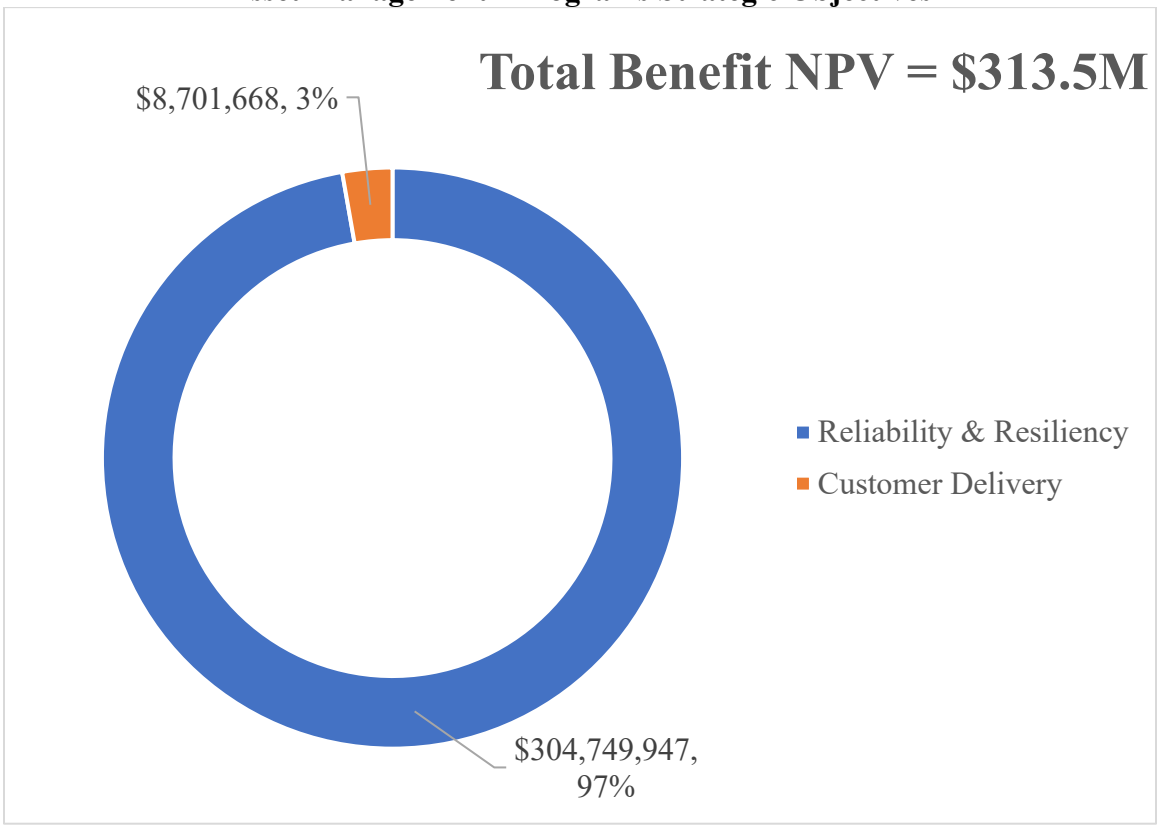
**A.** PNM Table WWG-18 below contains the total capital clearing, total benefits NPV, total costs NPV, net benefits, and benefit-cost ratio for the capital investments in the Asset Management - Programs from July 2026 through September 2028. A BCR over 1.0 indicates the benefits outweigh the costs.

**PNM Table WWG-18**
**Asset Management - Programs BCR**

| Program Area | Total Cost ($) | Total Benefit NPV ($) | Total Cost NPV ($) | Net Benefit ($) | BCR |
|---|---|---|---|---|---|
| T&D AM - Programs | $116,741,192 | $313,451,615 | $135,464,918 | $177,986,697 | 16.74 |

PNM Figure WWG-6 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 $313.5M NPV total benefits.

**PNM Figure WWG-6**
**Asset Management - Programs Strategic Objectives**



# XIV. O&M EXPENSES FOR T&D

## *A. Overview of PNM O&M Expenditures*

**Q. What T&D O&M expenses do you address in this section?**

**A.** I address the operational need for certain T&D labor and non-labor expenses associated with asset management, capital-expansion and maintenance support, Grid Modernization, wildfire mitigation, and vegetation management. These expenses include employee and contract labor, outside services, inspections, testing, preventive and corrective maintenance, equipment repairs, software and Operational Technology support, vegetation management, employee expenses, equipment, materials, training, and other activities necessary to operate and maintain PNM's T&D system safely and reliably.

Recurring inspection, testing, maintenance, and repair are generally recorded as O&M. Costs associated with replacing an asset or materially increasing its capacity, functionality, or useful life are generally recorded as capital. This distinction ensures that costs are classified consistently and prevents the same work from being reflected in both capital and O&M.

PNM develops and monitors these expenses through its established budgeting, management-review, and cost-control processes. My testimony addresses the operational need for the proposed adjustments. PNM witness Gutierrez presents the calculation, escalation, accounting treatment, and Test Period amounts.

### *B. Proposed Adjustments to O&M Expenditures for the Test Period*

**Q. What Test Period T&D O&M adjustments do you support?**

**A.** I support the operational need for adjustments associated with asset management, capital expansion and maintenance support, and wildfire mitigation.

I also support the adjusted transmission O&M expenses by the imputed value of transmission service exchanged with Western Area Power Administration ("WAPA"). Under a bilateral transmission exchange, WAPA provides 134 MW of transmission capacity to PNM to deliver a portion of the Palo Verde output to New Mexico at Four Corners. In exchange, PNM provides 247 MW of transmission capacity to WAPA at Four Corners for delivery to various New Mexico delivery points. This arrangement was approved in NMPRC Case No. 07-00077-UT and is consistent with the treatment followed in prior PNM rate cases. See the testimony of PNM witness Gutierrez and PNM Exhibit RNG-4 WP-OM-8 for further discussion of these agreements.

PNM Table WWG-19 summarizes the proposed labor and non-labor adjustments. PNM witness Gutierrez presents the calculation and amount included in the Test Period.

**PNM Table WWG-19**
**PNM T&D Test Period O&M Adjustment**

| O&M Category | Labor* | Non-Labor | Total |
|---|---|---|---|
| Asset Management | 1,970,243 | 749,000 | 2,719,243 |
| Capital Expansion/Maintenance | 857,722 | 1,085,000 | 1,942,722 |
| Grid Modernization | 0 | 14,661,828 | 14,661,828 |
| Wildfire Mitigation | 0 | 14,585,000 | 14,585,000 |
| **Grand Total** | **2,827,965** | **31,080,828** | **33,908,793** |

* Labor expenses do not include annual escalations. See the direct testimony of PNM witness Gutierrez for modeling and escalation of labor expense included in the revenue requirements.

The Company proposes adjustments of $31.1 million in incremental non-labor O&M expenses for the T&D systems to be reflected in the Test Period.

PNM proposes $2.8 million in incremental labor O&M expenses for T&D systems, resulting in the addition of 54 new full-time personnel.[5] The incremental labor expenses are based on the need to increase headcount to support T&D operations, damage prevention, warehousing support, EIM support, and mapping/GIS.

The incremental technical craft support will be converted from contract labor to internal PNM labor through time and recruiting activities. These positions will be filled with outside services and contract labor to fulfill the operational needs until full hiring can be achieved. The technical craft support cost estimate is based on ten additional positions.

[5] Full-time personnel are allocated between capital and O&M. The $2.8 million shown reflects the O&M allocation, and the remaining labor charged to capital is included in capital projects.

**Q. What is the expected hiring status of the additional employees included in the T&D O&M request?**

**A.** PNM expects to fill the requested positions over the linkage data period and Test Period based on operational need, recruiting availability, and required qualifications. Where necessary, PNM will continue using contract labor until employees can be hired and trained. The labor forecast reflects the anticipated hiring dates and the portion of each position's cost allocated to O&M. PNM witness Angela L. Pino presents the compensation assumptions, and PNM witness Gutierrez presents the amount included in the Test Period.

The PNM T&D incremental O&M expenses are summarized in PNM Table WWG-20, PNM Table WWG-21, and PNM Table WWG-22 below into three categories: Asset Management and Capital Expansion/Maintenance and Wildfire Mitigation.

PNM Table WWG-20 shows the detailed O&M expenses associated with ongoing asset management throughout the PNM system, including the incremental headcount increases, software additions, and miscellaneous expenses.

**PNM Table WWG-20**
**PNM T&D Incremental O&M – Asset Management**

| Incremental T&D O&M | Test Period | | |
|---|---|---|---|
| **Description** | **Labor** | **Non-Labor** | **Total** |
| Journeymen Linemen (20) | $1,357,033 | $0 | $1,357,033 |
| Substation Journeyman (2) | $179,231 | $0 | $179,231 |
| Relay Journeymen (2) | $179,231 | $0 | $179,231 |
| HVAC and Gate Maintenance Program | $0 | $100,000 | $100,000 |
| HVAC and Generator Maintenance for Comm Sites | $0 | $200,000 | $200,000 |
| Damage Prevention Reps (4) | $254,748 | $0 | $254,748 |
| Electronic Tailboard Software | $0 | $225,000 | $225,000 |
| Helium Gas for Transformer/Reactor DGA Monitoring | $0 | $24,000 | $24,000 |
| Recurring Expenses | $0 | $50,000 | $50,000 |
| Communications Infrastructure Monitoring Software | $0 | $100,000 | $100,000 |
| Relay Software for Fault Simulation and Maintenance Improvements | $0 | $50,000 | $50,000 |
| **TOTAL** | **$1,970,243** | **$749,000** | **$2,719,243** |

PNM Table WWG-21 shows the detailed O&M expenses associated with the capital expansion and maintenance of the electric system. These expenses include incremental headcount increases, required testing, and miscellaneous expenses.

**PNM Table WWG-21**
**PNM T&D Incremental O&M – Capital Expansion/Maintenance**

| Incremental T&D O&M | Test Period | | |
|---|---|---|---|
| **Description** | **Labor** | **Non-Labor** | **Total** |
| Drafter (1) | $22,265 | $0 | $22,265 |
| Transmission Linemen (5) | $222,759 | $0 | $222,759 |
| Administrative Assistant (1) | $58,082 | $0 | $58,082 |
| Apprentice Support (3) | $41,857 | $0 | $41,857 |
| SNM Safety Day | $0 | $5,000 | $5,000 |
| Field Coordinator (1) | $55,663 | $0 | $55,663 |
| Journeymen Linemen (3) | $38,407 | $0 | $38,407 |
| Warehousemen (4) | $116,165 | $0 | $116,165 |
| Energy Settlements Analyst (1) | $111,325 | $0 | $111,325 |
| DOC Operators (4) | $133,590 | $0 | $133,590 |
| Employee Expenses Line Departments | $0 | $360,000 | $360,000 |
| NERC 3rd Party Battery Testing | $0 | $35,000 | $35,000 |
| Employee Expenses Relay Department | $0 | $50,000 | $50,000 |
| Employee Expenses Communications Department | $0 | $50,000 | $50,000 |
| Employee Expenses Damage Prevention Department | $0 | $85,000 | $85,000 |
| Outage Coordinator for Grid Mod, System Reliability (1) | $6,401 | $0 | $6,401 |
| T&D Inspectors (2) | $51,209 | $0 | $51,209 |
| Technical Training | $0 | $500,000 | $500,000 |
| **TOTAL** | **$857,723** | **$1,085,000** | **$1,942,723** |

PNM Table WWG-22 shows the detailed O&M expenses associated with wildfire mitigation type activities, including fire detection cameras, vegetation management, contracted skilled support personnel, remote field data collection, and software additions.

**PNM Table WWG-22**
**PNM T&D Incremental O&M – Wildfire Mitigation**

| Incremental T&D O&M | Test Period | | |
|---|---|---|---|
| **Description** | **Labor** | **Non-Labor** | **Total** |
| Fire Detection Cameras | $0 | $40,000 | $40,000 |
| HFRA Distribution Vegetation Management - 5yr Cycle | $0 | $6,300,000 | $6,300,000 |
| HFRA Transmission Vegetation Management - 7yr Cycle | $0 | $2,163,000 | $2,163,000 |
| Contracted Service Professionals (Engineers, Technicians) | $0 | $100,000 | $100,000 |
| Beetle Killed Tree Removal – Distribution | $0 | $5,000,000 | $5,000,000 |
| Beetle Killed Tree Removal – Transmission | $0 | $82,000 | $82,000 |
| Risk Modeling Software Development | $0 | $250,000 | $250,000 |
| Satellite Remote Imagery Collection | $0 | $450,000 | $450,000 |
| Vegetation Management Tracking Software Replacement | $0 | $200,000 | $200,000 |
| **TOTAL** | **$0** | **$14,585,000** | **$14,585,000** |

**Q. What incremental wildfire-mitigation activities are included in the Test Period, and how do those activities work together?**

**A.** The Test Period request supports the next phase of PNM's wildfire-mitigation activities. The requested expenses include enhanced vegetation management and hazard-tree removal in high-fire-risk areas; weather and fire-detection capabilities; remote-imagery data; risk-modeling and Operational Technology software; professional support; and employees needed to plan, engineer, manage, and

implement wildfire-risk-reduction measures. The requested amount is incremental to activities and positions already reflected in current rates.

The vegetation-management component supports cyclical trimming in high-fire-risk areas on a five-year schedule for distribution lines and a seven-year schedule for transmission lines. Vegetation management and hazard-tree removal reduce the likelihood that vegetation will contact PNM facilities or contribute to an ignition. Weather information, detection capabilities, imagery, and risk modeling help PNM identify changing conditions and prioritize work geographically and temporally. Employees and professional support are needed to analyze that information, plan and execute mitigation work, and respond to elevated wildfire conditions.

Together, these activities allow PNM to identify higher-risk conditions, target resources to higher-risk locations, reduce vegetation-related ignition and outage risks, and respond more effectively as wildfire conditions change.

**Q. What incremental increase in expenses is related to Asset Management?**

**A.** The increase in complexity and volume of work caused by the changing needs of PNM's customers requires additional resources and modern software systems to support, operate, and maintain these facilities. PNM is adding 24 full-time journeyman positions in support of T&D line, relay, and communications operations, and four additional damage prevention representatives. The estimated

incremental increase in labor and non-labor O&M for Asset Management is $2.7 million for the Test Period.

**Q. What incremental increase in expenses are related to Capital Expansion/Maintenance requirements?**

A. PNM is adding five transmission journeyman positions to cover the ever-growing transmission system, three lineman apprentices, as well as 18 additional personnel for back-office support, new energy market transitions, grid modernization support, and the costs of employee expenses and training of the additional personnel. The estimated incremental increase in labor and non-labor O&M for the Capital Expansion/Maintenance area is $1.9 million for the Test Period.

Grid Modernization also adds communications, monitoring, control, data, and Operational Technology capabilities that must be operated, maintained, supported, and secured after they are placed in service. The related O&M includes software and vendor support, system monitoring, data management, training, and personnel needed to support these capabilities. PNM witness Gutierrez presents the accounting treatment and the adjustments used to prevent duplicate recovery through the Grid Modernization rider and base rates.

**Q. What are the additional incremental O&M expenses related to Grid Modernization activities included in the Test Period?**

A. Certain activities will occur in the Test Period that support the next phase of PNM's grid modernization activities. The requested expenses include several projects and software to continue or expand the program. See PNM Table WWG-23 for a breakdown of Grid Modernization-related expenses.

**PNM Table WWG-23**
**PNM T&D Incremental O&M – Grid Modernization**

| Project Management | Amount |
|---|---|
| ADMS | $613,010 |
| Advanced Metering | $6,534,617 |
| Customer Information & Analytics | $1,678,469 |
| Cybersecurity | $228,218 |
| Data Management & Architecture | $2,046,552 |
| Distribution Automation | $741,521 |
| Distribution Planning & Engineering | $645,223 |
| Project Management | $1,408,841 |
| Telecommunications | $765,378 |
| **TOTAL** | **$14,661,828** |

**Q. Are there any specifically forecasted revenue credits?**

A. Yes, PNM specifically forecasted gas pipeline capacity sales based on projections discussed and supported by PNM witness Gutierrez. PNM modeled the potential impact of these sales with low, expected, and high cases. PNM utilized the expected case, which results in an estimated credit of $5.3 million, which PNM uses to offset the incremental increase in O&M expense.

## XV. CONCLUSION

**Q. Do you have any concluding observations?**

**A.** Yes. The Generation and T&D investments and operating expenses addressed in my testimony are necessary to support safe, reliable, resilient, and compliant service. The Generation investments support the continued operation, availability, and flexibility of the resources needed as PNM integrates increasing amounts of renewable energy and battery storage and complies with applicable environmental and regulatory requirements.

The T&D investments and O&M expenses address aging and deteriorating assets, equipment failures, reliability and capacity needs, Grid Modernization, wildfire risk, vegetation management, and the continued operation of an increasingly complex electric system. Based on the operational needs and supporting information discussed in my testimony, these investments and expenses are reasonable and necessary to continue serving customers safely and reliably.

**Q. Does this conclude your direct testimony?**

**A.** Yes.

*GCG#536193*

# PNM Exhibit WWG – 1

## Statement of Qualifications

***Is contained in the following 1 page.***

# WESLEY W. GRAY

## EDUCATIONAL AND PROFESSIONAL SUMMARY

**Name:** Wesley W. Gray

**Address:** PNM
MS ES24
4201 Edith Boulevard NE
Albuquerque, NM 87109

**Position:** Vice President, PNM Operations & Engineering

**Education:** Bachelor of Science in Electrical Engineering, New Mexico State University, 1990
Master of Science in Electrical Engineering, New Mexico State University, 1992
Professional Engineering in the State of New Mexico, License #27802, 2022

**Employment:** Employed by PNM since 2021.
Positions held with the Company include:
Vice President, PNM Operations & Engineering
Executive Director, TDS Field Operations
Director, TDS Field Operations

**Testifying Experience:** NMPRC Case No. 22-00154-UT – Wildfire Mitigation & Utility Preparedness

NMPRC Case No. 22-00270-UT – PNM Revision of Electric Rates

NMPRC Case No. 23-00188-UT – Electric Utilities Reliability Metrics

# PNM Exhibit WWG – 2

## Generation Capital Investments

***Is contained in the following 676 pages.***

# PNM EXHIBIT WWG-2 Generation 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.

## Table of Contents

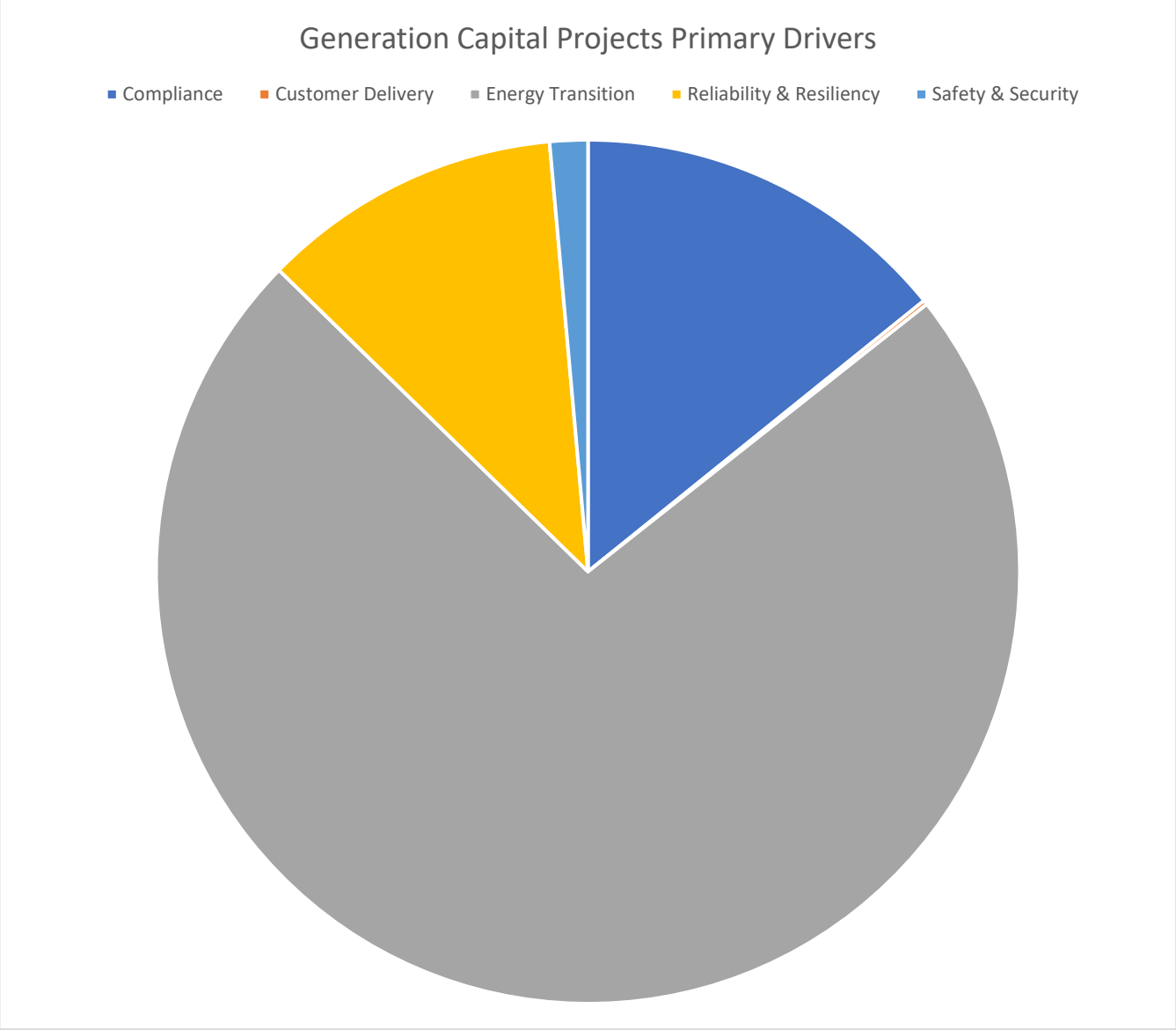

| Project # | Project Name | Net BegBal-Jul-26 | Costs 7/26-9/28 | Clearings 7/26-9/28 |
|---|---|---|---|---|
| 04616027 | Rio Bravo Mark VI E Turbine Control | 7,703 | 2,135,011 | (2,142,714) |
| 04616127 | Rio Bravo Balance of Plant Controls | 14,646 | 1,930,307 | (1,944,953) |
| 04616427 | Rio Bravo Non Outage Plant Cap 2027 | - | 895,427 | (895,427) |
| 04616428 | Rio Bravo Non Outage Plant Cap 2028 | - | 586,185 | (312,521) |
| 04616527 | Rio Bravo Outage Plant Capital 2027 | - | 2,339,579 | (2,339,579) |
| 70316028 | Lordsburg Non Outage Plant Cap 2028 | - | 142,637 | (142,637) |
| 70316124 | Lordsburg RO &Evaporation Pond | 100,999 | - | (100,999) |
| 70316126 | Lordsburg U1 Depot Visit | - | 3,794,044 | (3,794,044) |
| 70316325 | Lordsburg U2 Depot Visit | 1,875,274 | 4,943,078 | (6,818,351) |
| 70316527 | Lordsburg Cap  Planned Outage 2027 | - | 171,561 | (171,561) |
| 70518223 | Dist Battery Capacity Expand Phs 2 | - | 75,406,845 | (75,406,845) |
| 70518224 | Sandia Battery Storage 60MW | 6,677,613 | 3,382,089 | (10,059,702) |
| 70518526 | Sunbelt Solar and Storage Facility | 55,157,621 | 200,179,762 | (255,337,383) |
| 70716325 | Afton High Energy Pipe Repl HRH | 134,478 | - | (134,478) |
| 70716826 | SCR Catalyst Replacement | - | 53,173 | (53,173) |
| 70717126 | Afton 52 Line Breaker Relays Repl | - | 1,293,088 | (1,293,088) |
| 70717425 | Afton Non Outage Plant Capital 2025 | 73,916 | - | (73,916) |
| 70717426 | Afton Non Outage Plant Capital 2026 | 173,138 | 191,475 | (364,614) |
| 70717427 | Afton Non Outage Plant Capital 2027 | - | 642,058 | (642,058) |
| 70717428 | Afton Non Outage Plant Capital 2028 | - | 501,198 | (116,047) |
| 70717526 | Afton Outage Plant Capital 2026 | 102,695 | 1,082,044 | (1,184,739) |
| 70717527 | Afton Outage Plant Capital 2027 | - | 1,612,439 | (1,612,439) |
| 70717528 | Afton Outage Plant Capital 2028 | - | 6,608,154 | (6,608,154) |
| 70718026 | AFT Gas Turbine Major | - | 2,487,305 | (2,487,305) |
| 71316127 | Reeves U3  Boiler Economizers 2028 | - | 5,504,369 | (5,504,369) |
| 71316426 | Reeves Non Outage Plant Cap 2026 | 18,732 | 141,445 | (160,176) |
| 71316427 | Reeves Non Outage Plant Cap 2027 | - | 924,154 | (924,154) |
| 71316428 | Reeves Non Outage Plant Cap 2028 | - | 1,327,992 | (1,327,992) |
| 71316526 | Reeves Outage Plant Capital 2026 | 567,506 | 2,892 | (570,398) |
| 71316527 | Reeves Outage Plant Capital 2027 | - | 1,523,035 | (1,523,035) |
| 71316528 | Reeves Outage Plant Capital 2028 | - | 4,611,503 | (3,806,399) |
| 71316624 | Reeves U3 Turbine Generator Outage | 701,687 | - | (701,687) |
| 71316626 | Reeves U2 Auxiliary Transformer | 1,027,818 | 28,890 | (1,056,707) |
| 71316925 | Reeves U3 Generator Exciter Contrlr | 67,071 | - | (67,071) |
| 71519017 | Four Corners Facility Improvements | 6,816,500 | 20,733,759 | (17,028,695) |
| 71519117 | Four Corners Facility - Switchyard | 211,371 | 469,609 | (525,296) |
| 72123410 | PV U1 | 1,445,061 | 7,737,635 | (6,420,907) |
| 72223410 | PV U2 | 7,999,466 | 19,859,698 | (17,046,114) |
| 72323410 | PV U3 | 3,999,872 | 17,398,424 | (10,803,068) |
| 72423410 | PV common | 13,917,420 | 21,500,480 | (12,181,695) |
| 72523410 | PV water reclamation | 3,757,128 | 11,864,198 | (2,715,833) |
| 74416027 | Luna Capital Planned Outage 2027 | - | 784,120 | (784,120) |
| 74416028 | Luna Capital Improvements 2028 | - | 589,374 | (552,694) |
| 74416126 | Luna Capital Improvements 2026 | 352,881 | 423,521 | (776,402) |
| 74416127 | Luna Capital Improvement 2027 | - | 1,839,886 | (1,839,886) |

## Table of Contents


| Project # | Project Name | Net BegBal-Jul-26 | Costs 7/26-9/28 | Clearings 7/26-9/28 |
|---|---|---|---|---|
| 74416128 | Luna Capital Planned Outage 2028 | - | 240,911 | (103,333) |
| 74417025 | Luna Capital Planned Outage 2025 | 123,826 | - | (123,826) |
| 74417125 | Luna GT 2 GSU Transformer Replaceme | 1,658,608 | (856,721) | (801,887) |
| 74417126 | Luna Capital Planned Outage 2026 | 421,779 | 498,841 | (920,620) |
| 75216126 | La Luz SB-310 Compressor Blade Repl | - | 547,892 | (547,892) |
| 75216427 | La Luz Non Outage Plant Capitl 2027 | - | 747,654 | (747,654) |
| 75216428 | La Luz Non Outage Plant Capitl 2028 | - | 136,694 | (45,308) |
| 75216625 | La Luz Mark VI E Turbine Controls | 658,366 | 759,588 | (1,417,954) |
| 75216627 | La Luz Outage Plant Capital 2027 | - | 814,236 | (814,236) |
| 75216725 | La Luz Balance of Plant Controls | 676,623 | 683,708 | (1,360,331) |
| **Total** | | **108,739,796** | **431,215,251** | **(467,236,468)** |


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 |
|---|---|---|
| 70716926 | Afton LCI Exciter Transformer | (1,669) |
| 74416025 | Luna Capital Improvements 2025 | (1,710) |
| **Total** | | **(3,379)** |




| Primary Driver | Project # | Project Name | Clearings 7/26-9/28 |
|---|---|---|---|
| Compliance | 70316124 | Lordsburg RO &Evaporation Pond | (100,999) |
| Compliance | 71519017 | Four Corners Facility Improvements | (17,028,695) |
| Compliance | 72123410 | PV U1 | (6,420,907) |
| Compliance | 72223410 | PV U2 | (17,046,114) |
| Compliance | 72323410 | PV U3 | (10,803,068) |
| Compliance | 72423410 | PV common | (12,181,695) |
| Compliance | 72523410 | PV water reclamation | (2,715,833) |
| Customer Delivery | 74417125 | Luna GT 2 GSU Transformer Replaceme | (801,887) |
| Energy Transition | 70518223 | Dist Battery Capacity Expand Phs 2 | (75,406,845) |
| Energy Transition | 70518224 | Sandia Battery Storage 60MW | (10,059,702) |
| Energy Transition | 70518526 | Sunbelt Solar and Storage Facility | (255,337,383) |
| Reliability & Resiliency | 04616027 | Rio Bravo Mark VI E Turbine Control | (2,142,714) |
| Reliability & Resiliency | 04616127 | Rio Bravo Balance of Plant Controls | (1,944,953) |
| Reliability & Resiliency | 04616427 | Rio Bravo Non Outage Plant Cap 2027 | (895,427) |
| Reliability & Resiliency | 04616428 | Rio Bravo Non Outage Plant Cap 2028 | (312,521) |
| Reliability & Resiliency | 04616527 | Rio Bravo Outage Plant Capital 2027 | (2,339,579) |
| Reliability & Resiliency | 70316028 | Lordsburg Non Outage Plant Cap 2028 | (142,637) |

| Primary Driver | Project # | Project Name | Clearings 7/26-9/28 |
|---|---|---|---|
| **Reliability & Resiliency** | **70316126** | **Lordsburg U1 Depot Visit** | (3,794,044) |
| **Reliability & Resiliency** | **70316325** | **Lordsburg U2 Depot Visit** | (6,818,351) |
| **Reliability & Resiliency** | **70316527** | **Lordsburg Cap Planned Outage 2027** | (171,561) |
| **Reliability & Resiliency** | **70716325** | **Afton High Energy Pipe Repl HRH** | (134,478) |
| **Reliability & Resiliency** | **70716826** | **SCR Catalyst Replacement** | (53,173) |
| **Reliability & Resiliency** | **70717126** | **Afton 52 Line Breaker Relays Repl** | (1,293,088) |
| **Reliability & Resiliency** | **70717425** | **Afton Non Outage Plant Capital 2025** | (73,916) |
| **Reliability & Resiliency** | **70717426** | **Afton Non Outage Plant Capital 2026** | (364,614) |
| **Reliability & Resiliency** | **70717427** | **Afton Non Outage Plant Capital 2027** | (642,058) |
| **Reliability & Resiliency** | **70717428** | **Afton Non Outage Plant Capital 2028** | (116,047) |
| **Reliability & Resiliency** | **70717526** | **Afton Outage Plant Capital 2026** | (1,184,739) |
| **Reliability & Resiliency** | **70717527** | **Afton Outage Plant Capital 2027** | (1,612,439) |
| **Reliability & Resiliency** | **70717528** | **Afton Outage Plant Capital 2028** | (6,608,154) |
| **Reliability & Resiliency** | **70718026** | **AFT Gas Turbine Major** | (2,487,305) |
| **Reliability & Resiliency** | **71316127** | **Reeves U3 Boiler Economizers 2028** | (5,504,369) |
| **Reliability & Resiliency** | **71316426** | **Reeves Non Outage Plant Cap 2026** | (160,176) |
| **Reliability & Resiliency** | **71316427** | **Reeves Non Outage Plant Cap 2027** | (924,154) |
| **Reliability & Resiliency** | **71316526** | **Reeves Outage Plant Capital 2026** | (570,398) |
| **Reliability & Resiliency** | **71316527** | **Reeves Outage Plant Capital 2027** | (1,523,035) |
| **Reliability & Resiliency** | **71316626** | **Reeves U2 Auxiliary Transformer** | (1,056,707) |
| **Reliability & Resiliency** | **71316925** | **Reeves U3 Generator Exciter Contrlr** | (67,071) |
| **Reliability & Resiliency** | **71519117** | **Four Corners Facility - Switchyard** | (525,296) |
| **Reliability & Resiliency** | **74416027** | **Luna Capital Planned Outage 2027** | (784,120) |
| **Reliability & Resiliency** | **74416028** | **Luna Capital Improvements 2028** | (552,694) |
| **Reliability & Resiliency** | **74416126** | **Luna Capital Improvements 2026** | (776,402) |
| **Reliability & Resiliency** | **74416127** | **Luna Capital Improvement 2027** | (1,839,886) |
| **Reliability & Resiliency** | **74416128** | **Luna Capital Planned Outage 2028** | (103,333) |
| **Reliability & Resiliency** | **74417025** | **Luna Capital Planned Outage 2025** | (123,826) |
| **Reliability & Resiliency** | **74417126** | **Luna Capital Planned Outage 2026** | (920,620) |
| **Reliability & Resiliency** | **75216126** | **La Luz SB-310 Compressor Blade Repl** | (547,892) |
| **Reliability & Resiliency** | **75216427** | **La Luz Non Outage Plant Capitl 2027** | (747,654) |
| **Reliability & Resiliency** | **75216428** | **La Luz Non Outage Plant Capitl 2028** | (45,308) |
| **Reliability & Resiliency** | **75216625** | **La Luz Mark VI E Turbine Controls** | (1,417,954) |
| **Reliability & Resiliency** | **75216725** | **La Luz Balance of Plant Controls** | (1,360,331) |
| **Safety & Security** | **71316428** | **Reeves Non Outage Plant Cap 2028** | (1,327,992) |
| **Safety & Security** | **71316528** | **Reeves Outage Plant Capital 2028** | (3,806,399) |
| **Safety & Security** | **71316624** | **Reeves U3 Turbine Generator Outage** | (701,687) |
| **Safety & Security** | **75216627** | **La Luz Outage Plant Capital 2027** | (814,236) |
| **Grand Total** | | | **(467,236,468)** |

| Driver | Percentage | Amount |
|---|---|---|
| Compliance | 14.19% | (66,297,310) |
| Customer Delivery | 0.17% | (801,887) |
| Energy Transition | 72.94% | (340,803,931) |
| Reliability & Resiliency | 11.28% | (52,683,026) |
| Safety & Security | 1.42% | (6,650,315) |
| | 100.00% | (467,236,468) |

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 4/1/2026

Estimated Completion Date 12/31/2027

Description

The Rio Bravo Mark VI to Mark VI E Turbine Controls Upgrade is a multi-year capital project that will replace the existing General Electric (GE) Mark VI turbine control system, with the current-generation GE Mark VI E distributed control system. The existing Mark VI platform was installed in 2014 and has reached the end of its lifecycle support, creating increasing challenges related to hardware obsolescence, spare parts availability, cybersecurity, and technical support. The project will replace critical turbine control hardware, including controllers, input/output modules, operator interfaces, and supporting infrastructure with modern, vendor-supported technology designed to improve system reliability, maintainability, and operational performance. The Mark VI E platform provides enhanced cybersecurity capabilities, improved diagnostics, advanced alarm management, expanded data trending capabilities, and a scalable architecture that supports future plant upgrades and technology enhancements. The upgraded system will simplify maintenance activities through more intuitive operator interfaces, standardized hardware, and improved troubleshooting tools, allowing plant personnel to more efficiently monitor and maintain turbine operation. This investment will modernize a critical plant control system, reduce long-term maintenance costs, mitigate risks associated with obsolete technology, and support the continued safe and reliable operation of Rio Bravo Generating Station.

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

Project Need Justification

The Rio Bravo Mark VI to Mark VI E Turbine Controls Upgrade is necessary to replace an aging turbine control platform that has reached the end of its lifecycle support and is becoming increasingly difficult to maintain. The existing Mark VI system was installed in 2014, and manufacturer support ended in 2024, resulting in growing challenges related to spare parts availability, technical support, patching cybersecurity vulnerabilities, and long-term system reliability. The turbine control system serves as the primary operating platform for monitoring and controlling critical turbine functions, making its reliability essential to safe and dependable plant operation. Upgrading to the GE Mark VI E platform will modernize the station's control infrastructure with current-generation controllers, input/output modules, operator interfaces, and cybersecurity capabilities while restoring full vendor support. The project will reduce the risk of control system failures that could result in unit derates, forced outages, or extended equipment downtime, while providing advanced diagnostic, alarm management, and trending capabilities that improve troubleshooting and maintenance effectiveness. Additionally, the Mark VI E platform establishes a sustainable technology foundation that supports future system enhancements and operational improvements. This investment represents prudent asset management by replacing obsolete infrastructure before reliability risks impact generating unit availability and customer service.

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

Project Alternatives

Control systems must be current and fully supported to ensure maintainability and security. The current Mark VI controls platform lifecycle support ended in 2024, therefore it is necessary to upgrade the distributed control system. There is no other alternative other than replace with upgrade.
Do nothing option is not feasible as this is a critical system. The option of going with a non-GE system was also considered, but this would create a risk as a new technology would be installed and GE would no longer guarantee implementation of TILs (Technical Information Letter) if a non-GE control system is utilized.

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

| | |
|---|---|
| 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:** **04616027** **Rio Bravo Mark VI E Turbine Control**

| | |
|---|---|
| Customer Benefit | The project will reduce the risk of control system failures that could result in unit derates, forced outages, or extended equipment downtime, while providing advanced diagnostic, alarm management, and trending capabilities that improve troubleshooting and maintenance effectiveness. This investment represents prudent asset management by replacing obsolete infrastructure before reliability risks impact generating unit availability and customer service. |

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The Mark VI to Mark VI E Turbine Controls Upgrade is will improve cybersecurity, technology supportability, and adherence to modern control system standards. The current Mark VI platform is no longer actively supported by the manufacturer, limiting the ability to obtain security updates, hardware replacements, and technical assistance. The Mark VI E platform incorporates enhanced cybersecurity features, updated hardware, and modern software architecture that align with current industry best practices for industrial control systems. The utility must adhere to North American Electric Reliability Corporation (NERC) reliability standards that govern operations and planning activities on a Combustion Turbine Generating Station. The NERC standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of protection systems to prevent misoperation or loss of generation. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **04616027** **Rio Bravo Mark VI E Turbine Control**

General Services

| | |
|---|---|
| Reliability & Resiliency | The Mark VI to Mark VI E Turbine Controls Upgrade is primarily driven by Reliability & Resiliency. The existing Mark VI control system has reached the end of its manufacturer-supported lifecycle, creating increased risks associated with hardware failures, obsolete components, limited spare parts availability, and reduced technical support. Because the turbine control system is critical to the safe and reliable operation of the generating unit, any failure could result in unit derates, forced outages, or extended downtime. Upgrading to the Mark VI E platform improves the reliability of the turbine control infrastructure, enhances system diagnostics and monitoring capabilities, and provides a modern, supportable architecture that strengthens the plant's ability to maintain continuous operation under normal and abnormal conditions. The project reduces operational risk and ensures the generating station remains a reliable source of electricity for customers. |
| Safety & Security | Operating a 7FA combustion turbine safely requires an integrated approach addressing hot-section integrity, combustion control, mechanical stress, fire/explosion hazards, and maintenance discipline. Neglecting any of these areas can result in catastrophic equipment failure, and hazards to personnel. The installation of the Mark VI E Turbine controls helps to alleviate hazards when the machine is communicating to equipment and other operational devices. |
| Technology Advancements | Upgrading to the Mark VI E platform will modernize the station's control infrastructure with current-generation controllers, input/output modules, operator interfaces, and cybersecurity capabilities while restoring full vendor support. Additionally, the Mark VI E platform, establishes a sustainable technology foundation that supports future system enhancements and operational improvements. |

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 4,988 | - | - | - | - | - | - | 4,988 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 4,700 | - | 4,700 | 633,800 | 4,700 | - | 647,900 |
| 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 | 358 | - | - | - | - | - | - | 358 |
| 914: Pension and Benefits | 1,563 | - | - | - | - | - | - | 1,563 |
| 915: Injuries and Damages | 500 | - | - | - | - | - | - | 500 |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 193 | - | 193 | 25,986 | 193 | - | 26,564 |
| 926: A&G Loads | 249 | 244 | - | 244 | 32,958 | 244 | - | 33,940 |
| 928: AFUDC Debt | 25 | 25 | 31 | 37 | 850 | 1,667 | 1,682 | 4,317 |
| 929: AFUDC Equity | 20 | 27 | 33 | 40 | 906 | 1,777 | 1,792 | 4,594 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 7,703 | 5,189 | 64 | 5,214 | 694,499 | 8,581 | 3,474 | 724,724 |

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 4,988 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 647,900 | 103,029 | 103,029 | 103,029 | 103,029 | 103,029 | 103,029 |
| 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 | 358 | - | - | - | - | - | - |
| 914: Pension and Benefits | 1,563 | - | - | - | - | - | - |
| 915: Injuries and Damages | 500 | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 26,564 | 4,224 | 4,224 | 4,224 | 4,224 | 4,224 | 4,224 |
| 926: A&G Loads | 33,940 | 3,864 | 3,864 | 3,864 | 3,864 | 3,864 | 3,864 |
| 928: AFUDC Debt | 4,317 | 1,641 | 1,883 | 2,127 | 2,371 | 2,617 | 2,864 |
| 929: AFUDC Equity | 4,594 | 2,221 | 2,548 | 2,877 | 3,208 | 3,541 | 3,875 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 724,724 | 114,978 | 115,548 | 116,120 | 116,696 | 117,274 | 117,856 |

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 4,988 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 103,029 | 103,029 | 103,029 | 1,575,157 |
| 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 | - | - | - | 358 |
| 914: Pension and Benefits | - | - | - | 1,563 |
| 915: Injuries and Damages | - | - | - | 500 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 4,224 | 4,224 | 4,224 | 64,581 |
| 926: A&G Loads | 3,864 | 3,864 | 3,864 | 68,712 |
| 928: AFUDC Debt | 3,113 | 3,363 | 3,614 | 27,911 |
| 929: AFUDC Equity | 4,211 | 4,549 | 4,889 | 36,513 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 118,440 | 119,028 | 119,619 | 1,780,283 |

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 4,988 | - | - | - | 4,988 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,575,157 | 103,029 | 103,029 | 103,029 | 1,884,242 | - | - | - |
| 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 | 358 | - | - | - | 358 | - | - | - |
| 914: Pension and Benefits | 1,563 | - | - | - | 1,563 | - | - | - |
| 915: Injuries and Damages | 500 | - | - | - | 500 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 64,581 | 4,224 | 4,224 | 4,224 | 77,254 | - | - | - |
| 926: A&G Loads | 68,712 | 3,864 | 3,864 | 3,864 | 80,303 | - | - | - |
| 928: AFUDC Debt | 27,911 | 3,866 | 4,120 | 4,375 | 40,271 | - | - | - |
| 929: AFUDC Equity | 36,513 | 5,230 | 5,573 | 5,918 | 53,235 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (2,028,796) | (2,028,796) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (113,919) | (113,919) | - | - | - |
| Project Net | 1,780,283 | 120,213 | 120,809 | (2,021,305) | (0) | - | - | - |

## Project No: 04616027 Rio Bravo Mark VI E Turbine Control

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 4,988 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,884,242 |
| 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 | - | - | - | - | - | - | 358 |
| 914: Pension and Benefits | - | - | - | - | - | - | 1,563 |
| 915: Injuries and Damages | - | - | - | - | - | - | 500 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 77,254 |
| 926: A&G Loads | - | - | - | - | - | - | 80,303 |
| 928: AFUDC Debt | - | - | - | - | - | - | 40,271 |
| 929: AFUDC Equity | - | - | - | - | - | - | 53,235 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,028,796) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (113,919) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 04616127 Rio Bravo Balance of Plant Controls

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 5/1/2026

Estimated Completion Date 11/30/2027

Description

The Rio Bravo Foxboro Balance of Plant Control System Upgrade project will replace the station's aging Foxboro Supervisory Control and Data Acquisition (SCADA) and balance of plant control system hardware and software with a modern, fully supported platform. The existing Foxboro system serves as the primary interface for monitoring and controlling balance of plant equipment and integrates data from multiple plant programmable logic controllers and the turbine-generator control system. The system includes engineering workstations, operator stations, data historian functions, and communication infrastructure that provide operators with real-time monitoring, alarming, trending, and operational control of critical plant processes. Due to aging hardware, obsolete components, and recurring failures of input/output cards, the current system has become increasingly difficult and costly to maintain. The upgraded Foxboro platform will provide modern hardware, enhanced software functionality, improved operator interfaces, increased system reliability, and expanded capabilities for diagnostics, alarm management, and system modifications. The project will allow PNM personnel to more effectively maintain and modify the system internally while reducing dependence on obsolete equipment and unsupported technology.

## Project No: 04616127 Rio Bravo Balance of Plant Controls

Project Need Justification

The Rio Bravo Foxboro Balance of Plant Control System Upgrade is necessary to replace an aging and increasingly unreliable control platform that has become difficult and costly to maintain. The existing Foxboro system contains obsolete hardware components, including failing input/output cards that require frequent replacement and operational workarounds to maintain system functionality. The station currently incurs recurring maintenance costs associated with hardware failures while facing increasing challenges obtaining replacement parts and technical support. Because the Foxboro system serves as the primary interface for monitoring and controlling balance of plant equipment, continued degradation of the system creates an elevated risk of operational disruption, reduced operator visibility, equipment reliability concerns, and potential generation impacts. Upgrading to a modern Foxboro system will improve reliability, reduce maintenance costs, restore vendor support, enhance cybersecurity and system supportability, and provide a sustainable platform for future operational improvements. The project also enables PNM engineers to perform modifications and maintenance activities internally, reducing long-term support costs and improving responsiveness to operational needs.

**Project No:** **04616127** **Rio Bravo Balance of Plant Controls**

Project Alternatives

The “Do Nothing” option was not considered viable due to the growing number of input/output cards requiring replacement and the increasing difficulty in obtaining replacement parts. Based on project proposals from third-parties familiar with doing this work, the agreed to recommendation from the PNM evaluation team, was to install the Foxboro Balance of Plant controls upgrade at the Rio Bravo Station.

## Project No: 04616127 Rio Bravo Balance of Plant Controls

| | |
|---|---|
| Project Estimate Approach | Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. Specifications and scope of work for the Rio Bravo Station Balance of Plant Controls upgrade were issued to three vendors for proposal development. The proposals were evaluated by engineers and instrumentation technicians. Long-term economics was the primary factor in selecting the preferred solution.<br><br>PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs. |

**Project No:** **04616127 Rio Bravo Balance of Plant Controls**

Customer Benefit

Customers will benefit from improved generating station reliability and availability through the replacement of critical balance of plant control infrastructure that has become increasingly difficult to maintain. The upgraded Foxboro system will reduce the likelihood of equipment failures, communication issues, and control system disruptions that could negatively impact plant operations or generation output. Enhanced reliability, improved operator visibility, and better diagnostic capabilities will support more efficient operation and maintenance of plant equipment, reducing the risk of unplanned outages and costly emergency repairs. By modernizing a critical plant monitoring and control system, the project helps ensure Rio Bravo can continue providing reliable, efficient, and cost-effective electric generation to support customer energy needs.

## Project No: 04616127 Rio Bravo Balance of Plant Controls

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The Foxboro Balance of Plant Control System Upgrade is secondarily driven by compliance and asset management reasons. The current system relies on aging hardware that is becoming increasingly difficult to support and maintain due to component obsolescence and limited replacement part availability. Upgrading to a current, vendor-supported platform improves cybersecurity posture, supports modern control system standards, and ensures continued access to manufacturer support, software updates, and replacement hardware. A utility must adhere to North American Electric Reliability Corporation (NERC) reliability standards that govern operations and planning activities on a combustion turbine generating station. The NERC standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of Protection systems to prevent mis operation or loss of generation. The balance of plant controls upgrade project helps to meet the compliance and reliability required within the PRC-005. The project also represents prudent asset management by replacing critical infrastructure before reliability issues result in significant operational or financial consequences. Additionally, the modernization of the control platform positions the station to accommodate future technology improvements and evolving operational requirements while maintaining a secure and supportable control environment. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **04616127** **Rio Bravo Balance of Plant Controls**

General Services

| | |
|---|---|
| Reliability & Resiliency | The Foxboro Balance of Plant Control System Upgrade is primarily to improve reliability and resiliency. The existing system contains obsolete hardware and recurring component failures that increase operational risk and maintenance requirements. Because the Foxboro platform provides critical monitoring and control functions for balance of plant equipment, system failures can affect operator awareness, equipment performance, and generating unit availability. Upgrading the system will improve the reliability of plant control functions, enhance equipment monitoring capabilities, reduce the risk of control-related failures, and provide a modern, supportable platform capable of supporting long-term plant operations. The project strengthens plant resiliency by reducing dependence on obsolete technology and improving the station's ability to maintain reliable operation under a variety of operating conditions. |
| Safety & Security | Operating a 7FA turbine safely requires an integrated approach addressing hot-section integrity, combustion control, mechanical stress, fire/explosion hazards, and maintenance discipline. Neglecting any of these areas can result in catastrophic equipment failure, and hazards to personnel.The installation of the Foxboro balance of plant controls upgrade, helps to alleviate hazards when the machine is communicating to equipment and other operational devices. |
| Technology Advancements | The technology advancements included in the Foxboro Balance of Plant Controls Upgrade project, encompass state-of-the-art control platforms with advanced diagnostics, real-time monitoring, predictive maintenance features, and integration capability with plant-wide automation systems, providing enhanced operational insights and long-term adaptability for emerging control strategies and industry standards. |

## Project No: 04616127 Rio Bravo Balance of Plant Controls

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,388 | - | - | - | - | - | - | 2,388 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 10,383 | 4,788 | 4,788 | 4,788 | 513,806 | 4,788 | - | 543,341 |
| 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 | 171 | - | - | - | - | - | - | 171 |
| 914: Pension and Benefits | 749 | - | - | - | - | - | - | 749 |
| 915: Injuries and Damages | 240 | - | - | - | - | - | - | 240 |
| 921: Stores Load | 31 | - | - | - | - | - | - | 31 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 196 | 196 | 196 | 21,066 | 196 | - | 21,851 |
| 926: A&G Loads | 639 | 249 | 249 | 249 | 26,718 | 249 | - | 28,352 |
| 928: AFUDC Debt | 26 | 42 | 55 | 67 | 727 | 1,391 | 1,404 | 3,713 |
| 929: AFUDC Equity | 20 | 45 | 58 | 72 | 775 | 1,483 | 1,497 | 3,949 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (572,281) | (572,281) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (32,505) | (32,505) |
| Project Net | 14,646 | 5,321 | 5,346 | 5,372 | 563,093 | 8,107 | (601,884) | 0 |

## Project No: 04616127 Rio Bravo Balance of Plant Controls

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,388 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 543,341 | - | - | - | - | - | - |
| 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 | 171 | - | - | - | - | - | - |
| 914: Pension and Benefits | 749 | - | - | - | - | - | - |
| 915: Injuries and Damages | 240 | - | - | - | - | - | - |
| 921: Stores Load | 31 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 21,851 | - | - | - | - | - | - |
| 926: A&G Loads | 28,352 | - | - | - | - | - | - |
| 928: AFUDC Debt | 3,713 | - | - | - | - | - | - |
| 929: AFUDC Equity | 3,949 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (572,281) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (32,505) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 04616127 Rio Bravo Balance of Plant Controls

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 2,388 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | 4,788 | 548,129 |
| 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 | - | - | - | 171 |
| 914: Pension and Benefits | - | - | - | 749 |
| 915: Injuries and Damages | - | - | - | 240 |
| 921: Stores Load | - | - | - | 31 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | 196 | 22,048 |
| 926: A&G Loads | - | - | 180 | 28,532 |
| 928: AFUDC Debt | - | - | 5 | 3,718 |
| 929: AFUDC Equity | - | - | 7 | 3,957 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (572,281) |
| 825: Closing Cost of Removal | - | - | - | (32,505) |
| Project Net | - | - | 5,177 | 5,177 |

## Project No: 04616127 Rio Bravo Balance of Plant Controls

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,388 | - | - | - | 2,388 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 548,129 | 623,121 | 608,521 | - | 1,779,771 | - | - | - |
| 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 | 171 | - | - | - | 171 | - | - | - |
| 914: Pension and Benefits | 749 | - | - | - | 749 | - | - | - |
| 915: Injuries and Damages | 240 | - | - | - | 240 | - | - | - |
| 921: Stores Load | 31 | - | - | - | 31 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 22,048 | 25,548 | 24,949 | - | 72,545 | - | - | - |
| 926: A&G Loads | 28,532 | 23,367 | 22,820 | - | 74,719 | - | - | - |
| 928: AFUDC Debt | 3,718 | 717 | 2,116 | - | 6,551 | - | - | - |
| 929: AFUDC Equity | 3,957 | 970 | 2,863 | - | 7,789 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (572,281) | - | (1,265,759) | - | (1,838,040) | - | - | - |
| 825: Closing Cost of Removal | (32,505) | - | (74,409) | - | (106,914) | - | - | - |
| Project Net | 5,177 | 673,723 | (678,899) | - | - | - | - | - |

## Project No: 04616127 Rio Bravo Balance of Plant Controls

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,388 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,779,771 |
| 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 | - | - | - | - | - | - | 171 |
| 914: Pension and Benefits | - | - | - | - | - | - | 749 |
| 915: Injuries and Damages | - | - | - | - | - | - | 240 |
| 921: Stores Load | - | - | - | - | - | - | 31 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 72,545 |
| 926: A&G Loads | - | - | - | - | - | - | 74,719 |
| 928: AFUDC Debt | - | - | - | - | - | - | 6,551 |
| 929: AFUDC Equity | - | - | - | - | - | - | 7,789 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,838,040) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (106,914) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 2027

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

(CBI - 1) Rio Bravo Non-Outage Small Capital
The Rio Bravo Non-Outage Small Capital project is a blanket capital program established to address emergent equipment replacement and infrastructure needs that arise outside of planned outage cycles. The project provides funding to repair/replace critical assets such as motors, pumps, instrumentation, electrical equipment, and other plant components that experience unexpected degradation or failure and threaten generating unit reliability. Because these projects cannot be specifically identified during the budgeting process, the blanket capital program allows the station to respond quickly to asset health concerns that could otherwise result in unit derates, forced outages, increased maintenance costs, or reduced generation availability. By proactively replacing qualifying capital assets before failures occur, the project supports safe, reliable, and efficient plant operations while ensuring continued delivery of dependable electric service to customers.
(CBI-2) Rio Bravo Non-Outage Production Well Pump Replacement Project;
The Rio Bravo Well Pump Replacement project will replace the station's aging production well pump, motor, and associated equipment that provide a critical water supply necessary for plant operations. The existing system has experienced recurring operational issues, intermittent failures, and increasing maintenance requirements, indicating the equipment is approaching the end of its useful life. Failure of the production well pump could adversely impact plant operations, increase the risk of equipment outages, affect water-dependent systems, and potentially create compliance concerns associated with operational and environmental requirements. Replacing the pump with modern, reliable equipment will improve system performance, reduce maintenance costs, enhance operational reliability, and ensure a dependable water supply to support the safe and continuous operation of Rio Bravo Generating Station.
(CBI-3) Rio Bravo Non-Outage Cooling Water Pump Replacement Project
The Rio Bravo Cooling Water Pump Replacement project will replace an existing cooling water pump that has experienced repeated failures due to excessive cycling and operating conditions that have significantly reduced equipment life expectancy. Site evaluations have determined that frequent starts and stops associated with the control system are contributing to accelerated wear and equipment degradation, resulting in increased maintenance requirements and reduced system reliability. The new high-efficiency pump will improve cooling water system performance, reduce equipment stress, and enhance overall plant operational efficiency. This replacement will increase the reliability of a critical support system, reduce the risk of forced outages resulting from cooling system failures, and support the long-term availability and performance of the generating station.

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 2027

Project Need Justification

(CBI-1) (Capital Budget Item) Rio Bravo Non-Outage Small Capital
The Rio Bravo Non-Outage Small Capital project is justified by the need to address emergent equipment replacement and infrastructure reliability issues that cannot be identified during the normal planning and budgeting cycle. Critical plant assets such as motors, pumps, instrumentation, electrical equipment, and auxiliary systems may experience unexpected degradation or failure that threaten unit reliability, increase maintenance costs, and creates a risk of generation derates or forced outages. This blanket capital project provides funding flexibility to promptly replace qualified capital assets before equipment failures impact plant operations. By proactively managing asset health and addressing reliability concerns as they arise, the project supports continued generation availability, prudent asset stewardship, and the reliable delivery of electric service to customers.
(CBI-2) Rio Bravo Production Well Pump Replacement
The Rio Bravo Production Well Pump Replacement project is necessary to replace aging equipment that is experiencing recurring operational issues, intermittent stoppages, and increasing maintenance requirements. The production well pump provides a critical water supply used to support plant operations, and its continued degradation creates a risk of operational disruptions, reduced unit reliability, and potential impacts to systems that depend on a consistent water supply. Records indicate the existing pump is approaching the end of its expected service life, increasing the likelihood of failure and unplanned repairs. Replacing the well pump, motor, and associated components will improve system reliability, mitigate operational and compliance risks, and ensure the station maintains a dependable source of water necessary for safe and reliable plant operation.
(CBI-3) Rio Bravo Cooling Water Pump Replacement
The Rio Bravo Cooling Water Pump Replacement project is required to address recurring failures of an existing cooling water pump that has experienced accelerated wear and reduced life expectancy due to excessive cycling and operating conditions. Repeated pump failures have increased maintenance requirements and created reliability concerns for a critical plant support system. Installation of a new high-efficiency pump will improve cooling water system reliability, reduce equipment stress, and enhance operating efficiency. Because the cooling water system plays an important role in maintaining proper operating temperatures and supporting reliable plant operation, replacing the deteriorated pump will reduce the risk of equipment failures that could result in derates, unplanned outages, or reduced generation availability. The project supports long-term asset reliability and helps ensure continued dependable operation of Rio Bravo Generating Station.

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 2027

Project Alternatives

(CBI-1). (Capital Budget Item) Rio Bravo Non-Outage Small Capital
If the Rio Bravo Non-Outage Small Capital program is not funded, the station's ability to address emergent equipment failures and infrastructure degradation will be significantly limited. Aging assets such as motors, pumps, instrumentation, electrical equipment, and control components may remain in service beyond their useful lives, increasing the likelihood of equipment failures, unit derates, forced outages, and higher maintenance costs. Delayed replacement of critical components can also accelerate degradation of connected equipment, reduce operational flexibility, and create safety and reliability concerns. Without a dedicated funding mechanism, Rio Bravo may be forced to rely on reactive maintenance, resulting in increased operational risk and reduced generation availability. This project's purpose is consistent with the station's blanket non-outage capital program established for emergent equipment replacements that cannot be identified during the annual planning process.
(CBI-2). Rio Bravo Production Well Pump Replacement
If the production well pump, motor, and associated equipment are not replaced, the risk of a complete loss of the station's water supply will continue to increase as equipment deterioration progresses. Continued operation with aging equipment may lead to more frequent failures, increasing maintenance costs and creating unplanned outages for repair activities. A loss of reliable water supply could adversely affect water-dependent plant systems, reduce generating capability, impair plant operations, and potentially create environmental or operational compliance concerns. Extended well pump failures may also require temporary water supply solutions that increase operating costs and complicate plant operations, ultimately reducing overall reliability and availability.
(CBI-3). Rio Bravo Cooling Water Pump Replacement
If the cooling water pump is not replaced, continued excessive cycling and equipment wear will increase the likelihood of pump failures, resulting in reduced cooling system performance and reliability. Failure of the cooling water system could impair the plant's ability to adequately cool critical equipment, potentially leading to unit derates, forced outages, reduced efficiency, and accelerated degradation of plant assets. As failures become more frequent, maintenance costs and repair requirements will continue to increase, while the risk of unplanned outages and lost generation grows. Deferring replacement may also shorten the life of associated cooling system equipment due to unstable operating conditions and inadequate cooling water flow.

**Project No:** **04616427** **Rio Bravo Non Outage Plant Cap 2027**

| | |
|---|---|
| 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: 04616427 Rio Bravo Non Outage Plant Cap 2027

Customer Benefit

(CBI-1) Rio Bravo Non-Outage Small Capital
The Rio Bravo Non-Outage Small Capital project provides customers with improved electric service reliability by enabling the timely replacement of critical plant equipment before failures impact generating unit performance. By addressing emergent equipment issues such as failing motors, pumps, instrumentation, and electrical components, the project reduces the risk of unit derates, forced outages, and extended maintenance events. Customers benefit from increased generation availability, improved system reliability, and reduced operating costs associated with emergency equipment repairs and unplanned outages, helping ensure the continued delivery of safe, dependable, and cost-effective electric service.
(CBI-2) Rio Bravo Production Well Pump Replacement
The Production Well Pump Replacement project provides customers with enhanced reliability by ensuring a dependable water supply for critical plant operations. Replacing aging equipment that has experienced recurring operational issues reduces the risk of pump failures that could impact plant availability, increase maintenance costs, or disrupt essential operating systems. The project improves the reliability of station support infrastructure, lowers the likelihood of unplanned outages, and helps maintain continuous generation capability, ultimately supporting dependable electric service and minimizing costs associated with emergency repairs and equipment failures.
(CBI-3) Rio Bravo Cooling Water Pump Replacement
The Cooling Water Pump Replacement project improves customer service reliability by replacing an existing pump that has experienced repeated failures and reduced life expectancy due to excessive cycling and operational stress. The new high-efficiency pump will improve cooling system reliability, reduce maintenance requirements, and enhance overall plant operating efficiency. Customers benefit from increased generating unit availability, reduced risk of cooling system-related derates or forced outages, and lower long-term operating costs. By improving the reliability of a critical plant support system, the project helps ensure Rio Bravo can continue providing dependable and cost-effective electric generation to support customer energy needs.

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 2027

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | A reliable water supply is necessary to support various operational, environmental, and plant support systems. Replacement of the well pump reduces the risk of operational conditions that could affect compliance obligations associated with water supply and related plant processes, while maintaining safe and reliable station operations. The NERC (North American Electric Reliability Corporation) standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of Protection systems to prevent mis operation or loss of generation. The production well pump replacement project helps to meet the compliance and reliability required within the PRC-005. |
| Customer Delivery | The project benefits customers by reducing the risk of generation interruptions and maintaining dependable electric service. Proactively replacing aging or failed equipment helps avoid costly emergency repairs and minimizes the potential for customer impacts associated with reduced generation capacity or unplanned outages. This project also reduced the likelihood of cooling system failures that could impact generation output. Increased equipment reliability and efficiency help maintain dependable service while avoiding costs associated with repeated repairs and unplanned outages. |
| Energy Transition | |

**Project No:** **04616427** **Rio Bravo Non Outage Plant Cap 2027**

General Services

Reliability & Resiliency

(CBI-1) This project addresses emergent equipment replacement needs that have the potential to cause generating unit derates, equipment failures, or forced outages if left uncorrected. By providing funding for timely replacement of critical plant assets, the project strengthens equipment reliability, improves plant resiliency, and supports continued generation availability.
(CBI-2) The production well pump is essential to providing the water supply required for plant operations. Replacing equipment that has experienced recurring failures and has reached the end of its useful life improves system reliability, reduces the likelihood of operational disruptions, and ensures continued plant availability.
(CBI-3) The cooling water pump is a critical support system required for reliable plant operation. Recurring failures caused by excessive cycling have reduced equipment life expectancy and increased the risk of operational issues. Installing a new high-efficiency pump improves reliability, reduces maintenance requirements, and lowers the risk of derates or forced outages.

Safety & Security

Technology Advancements

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 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: 04616427 Rio Bravo Non Outage Plant Cap 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 7,321 | 251,236 | 568,333 | - | - | - |
| 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 | - | 300 | 10,301 | 23,302 | - | - | - |
| 926: A&G Loads | - | 275 | 9,421 | 21,312 | - | - | - |
| 928: AFUDC Debt | - | 8 | 301 | 1,231 | - | - | - |
| 929: AFUDC Equity | - | 11 | 408 | 1,666 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (845,664) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (49,762) | - | - | - |
| Project Net | - | 7,915 | 271,667 | (279,582) | - | - | - |

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 826,890 |
| 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 | - | - | - | 33,902 |
| 926: A&G Loads | - | - | - | 31,008 |
| 928: AFUDC Debt | - | - | - | 1,541 |
| 929: AFUDC Equity | - | - | - | 2,085 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (845,664) |
| 825: Closing Cost of Removal | - | - | - | (49,762) |
| Project Net | - | - | - | (0) |

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 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 | 826,890 | - | - | - | 826,890 | - | - | - |
| 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 | 33,902 | - | - | - | 33,902 | - | - | - |
| 926: A&G Loads | 31,008 | - | - | - | 31,008 | - | - | - |
| 928: AFUDC Debt | 1,541 | - | - | - | 1,541 | - | - | - |
| 929: AFUDC Equity | 2,085 | - | - | - | 2,085 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (845,664) | - | - | - | (845,664) | - | - | - |
| 825: Closing Cost of Removal | (49,762) | - | - | - | (49,762) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 04616427 Rio Bravo Non Outage Plant Cap 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 826,890 |
| 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 | - | - | - | - | - | - | 33,902 |
| 926: A&G Loads | - | - | - | - | - | - | 31,008 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,541 |
| 929: AFUDC Equity | - | - | - | - | - | - | 2,085 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (845,664) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (49,762) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 04616428 Rio Bravo Non Outage Plant Cap 2028

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

| County % | Bernalillo | 100% |
|---|---|---|

Estimated Start Date 2/1/2027

Estimated Completion Date 12/31/2028

Description

(CBI-1) The Rio Bravo Small Capital project is a blanket capital program is to address emergent, non-outage equipment replacement needs that arise throughout the year and cannot be reasonably identified during the annual planning process. This project provides funding for the replacement of critical plant assets, including motors, pumps, electrical components, instrumentation, and other like-kind equipment that have reached the end of their useful life or experienced unexpected failures. Each individual project will be evaluated through the Retirement Unit Catalog to determine capitalization eligibility, followed by the development of a detailed scope of work and capital work order. By proactively addressing emergent equipment issues before they result in unit derates or forced outages, this project supports continued plant reliability, operational readiness, and the delivery of dependable electric service to customers.
(CBI-2) The Rio Bravo Automatic Transfer Switch (ATS) Project will replace an aging and obsolete automatic transfer switch that provides critical power transfer capability for essential station systems during utility power disturbances or outages. The existing ATS presents increasing operational and safety risks due to its age, reduced reliability, and limited supportability. A modern replacement will improve the facility's ability to automatically transfer electrical loads between power sources without interruption, ensuring continuous operation of critical equipment and systems necessary for safe plant operation. The project enhances electrical system reliability, reduces the risk of extended equipment downtime during power events, supports compliance with current electrical standards, and improves overall plant resiliency by maintaining dependable backup power functionality for critical station loads.

## Project No: 04616428 Rio Bravo Non Outage Plant Cap 2028

Project Need Justification

(CBI-1) The Rio Bravo Small Capital project provides the flexibility to address emergent equipment failures and asset replacement needs that cannot be accurately predicted during the annual planning process. Critical plant components such as motors, pumps, instrumentation, electrical equipment, and other infrastructure assets may unexpectedly fail or exhibit degraded performance that threatens generating unit reliability. Without a dedicated capital funding mechanism, these failures could result in unit derates, forced outages, increased maintenance costs, or deferred equipment replacement. This project allows the station to proactively replace qualifying capital assets before failures impact generation availability, ensuring continued safe and reliable operation of the facility while supporting long-term asset management objectives and reducing risks to customers associated with generation unavailability

(CBI-2) The existing Automatic Transfer Switch (ATS) has reached an age where reliability concerns, equipment obsolescence, and limited replacement part availability increase the risk of failure during a utility power disturbance or outage. The ATS performs a critical function by automatically transferring essential station loads between power sources to maintain operation of critical equipment and support systems. Failure of the ATS could result in loss of power to critical plant systems, increased safety risks, equipment damage, and extended outages that negatively impact generating unit availability. Replacing the ATS with modern equipment will improve electrical system reliability, enhance facility resiliency during power disruptions, reduce operational risk, and ensure continued support of safe and reliable plant operations. This investment helps protect critical generation assets and minimizes the potential for customer impacts resulting from extended plant outages.

## Project No: 04616428 Rio Bravo Non Outage Plant Cap 2028

Project Alternatives

If funding is not available to address emergent equipment replacement needs, Rio Bravo may be forced to defer corrective actions on aging or failed assets until larger planned outages or future budget cycles. Delaying replacement of critical equipment such as motors, pumps, instrumentation, electrical components, and control devices increases the likelihood of equipment failures that can lead to unit derates, forced outages, reduced generation availability, and higher maintenance costs. Deferred replacements may also increase safety risks, reduce operational flexibility, accelerate deterioration of associated equipment, and require more costly emergency repairs. Without a dedicated small capital program, the station's ability to proactively address reliability concerns is significantly diminished, potentially impacting overall plant reliability, resiliency, and the ability to provide dependable electric service to customers.

**Project No:** **04616428** **Rio Bravo Non Outage Plant Cap 2028**

| | |
|---|---|
| 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:** **04616428** **Rio Bravo Non Outage Plant Cap 2028**

Customer Benefit

(CBI-1) The Rio Bravo Small Capital project provides customers with enhanced reliability by enabling the timely replacement of critical equipment before failures impact generating unit performance. By proactively addressing emergent equipment degradation and replacing aging assets such as motors, pumps, electrical components, and instrumentation, the project reduces the likelihood of unit derates, forced outages, and unexpected maintenance events. Customers benefit from increased generation availability, improved system reliability, and reduced long-term operating costs associated with emergency repairs and extended equipment failures. These investments help ensure Rio Bravo remains a dependable source of generation supporting safe, reliable, and cost-effective electric service.
(CBI-2) The Automatic Transfer Switch (ATS) replacement project improves the reliability and resiliency of critical station electrical systems that support continuous plant operation during utility power disturbances or outages. The upgraded ATS will provide faster and more reliable transfer of essential loads between power sources, reducing the risk of interruptions to critical equipment and plant support systems. Customers benefit from improved generating unit availability, reduced potential for extended plant outages, enhanced operational safety, and a more resilient generation facility capable of maintaining reliable electric service during adverse operating conditions. By minimizing outage risks and equipment vulnerabilities, the project helps support dependable and affordable energy delivery.

| **Project No:** | **04616428 Rio Bravo Non Outage Plant Cap 2028** |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | In addition to improving reliability, the replacement supports compliance with current electrical design and equipment standards while ensuring critical systems remain available during power interruptions. The project protects generation assets, minimizes outage risks, and strengthens the station's ability to provide reliable electricity to customers under all operating conditions. The NERC (North American Electric Reliability Corporation) standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of protection systems to prevent misoperation or loss of generation. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **04616428** **Rio Bravo Non Outage Plant Cap 2028**

General Services

Reliability & Resiliency

(CBI-1) Critical plant assets such as motors, pumps, instrumentation, electrical components, and auxiliary equipment can experience unexpected failures or degradation that threaten unit operation and increase the risk of derates or forced outages. This blanket capital project provides the flexibility to replace qualifying assets before failures affect generation capability, allowing Rio Bravo to maintain safe and reliable operations. By proactively addressing asset health issues and reducing the likelihood of unplanned outages, the project supports continued electric system reliability and helps ensure customers receive dependable electric service while avoiding the higher costs associated with emergency repairs and prolonged equipment failures.
(CBI-2) The Rio Bravo Automatic Transfer Switch (ATS) Project is necessary to replace aging and obsolete equipment that plays a critical role in maintaining continuous power to essential plant systems during utility disturbances or loss of normal power. The existing ATS presents increasing reliability concerns due to equipment age, limited parts availability, and reduced supportability, creating a heightened risk of transfer failures that could impact critical plant operations. A modern ATS will improve the facility's ability to seamlessly transfer power between sources, reducing operational risk and enhancing plant resiliency during abnormal conditions.

Safety & Security

Technology Advancements

## Project No: 04616428 Rio Bravo Non Outage Plant Cap 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: 04616428 Rio Bravo Non Outage Plant Cap 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **04616428** **Rio Bravo Non Outage Plant Cap 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 04616428 Rio Bravo Non Outage Plant Cap 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 | - | - | - | - | - | 41,715 | 47,206 | 200,035 |
| 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 | - | - | - | - | - | 1,710 | 1,935 | 8,201 |
| 926: A&G Loads | - | - | - | - | - | 1,464 | 1,657 | 7,021 |
| 928: AFUDC Debt | - | - | - | - | - | 46 | 145 | 420 |
| 929: AFUDC Equity | - | - | - | - | - | 73 | 229 | 662 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (295,170) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | (17,351) |
| Project Net | - | - | - | - | - | 45,009 | 51,172 | (96,181) |

## Project No: 04616428 Rio Bravo Non Outage Plant Cap 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 41,715 | 41,715 | 41,715 | 41,715 | 41,715 | 41,715 | 539,246 |
| 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 | 1,710 | 1,710 | 1,710 | 1,710 | 1,710 | 1,710 | 22,109 |
| 926: A&G Loads | 1,464 | 1,464 | 1,464 | 1,464 | 1,464 | 1,464 | 18,928 |
| 928: AFUDC Debt | 46 | 139 | 232 | 326 | 420 | 515 | 2,290 |
| 929: AFUDC Equity | 73 | 219 | 366 | 514 | 663 | 813 | 3,613 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (295,170) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (17,351) |
| Project Net | 45,009 | 45,248 | 45,488 | 45,730 | 45,973 | 46,217 | 273,664 |

## Project No: 04616527 Rio Bravo Outage Plant Capital 2027

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

Description

(CBI-1) Rio Bravo Controls Server and Workstation - Supervisory Control and Data Acquisition (SCADA)
This project will replace aging SCADA hardware that is critical for monitoring, control, and operational management of plant equipment and processes. The controls server and operator workstations provide real-time visibility of plant conditions, alarm management, data collection, trending, and operator control functions necessary for safe and reliable generation. Replacing obsolete equipment improves system reliability, cybersecurity, maintainability, and vendor supportability while reducing the risk of control system failures that could impact plant operations and availability.
(CBI-2). Rio Bravo Live Data Outage
This project will replace and modernize equipment used to collect, process, and communicate critical operating data associated with plant turbine-generators and thermal generation processes. These systems monitor the conversion of thermal energy into mechanical energy and provide operators with real-time performance information necessary to optimize unit operation, diagnose equipment issues, and maintain reliable generation. The project will improve data accuracy, system reliability, and operational visibility while reducing the risk of data interruptions that could affect operational decision-making and plant performance.
(CBI-3) Rio Bravo Auxiliary Transformer and Switchgear Relay
This project will replace aging protective relays that safeguard critical plant electrical equipment and auxiliary power systems. These relays continuously monitor electrical parameters and are designed to rapidly detect abnormal operating conditions, faults, or equipment failures and automatically interrupt current flow to prevent damage. Modern relay technology enhances system protection, improves reliability, supports compliance with current protection standards, and reduces the risk of extended outages caused by relay malfunction or failure.
(CBI-4) . Rio Bravo GSU Transformer Relay
This project will replace obsolete protective relays that provide essential protection for the plant's primary transformer connecting the generator to the transmission system. These relays detect electrical faults and abnormal operating conditions and initiate the isolation of affected equipment to prevent catastrophic transformer damage, minimize safety risks, and protect grid reliability. Upgrading to modern relay technology improves protection system performance, equipment reliability, diagnostic capabilities, and long-term maintainability while reducing the risk of transformer-related forced outages.
(CBI-5). Rio Bravo Install Hydrogen Tank
This project will install a new hydrogen storage system that supports the operation of the hydrogen-cooled generator. High-purity

**Project No:** **04616527 Rio Bravo Outage Plant Capital 2027**

hydrogen gas is utilized because it provides significantly greater cooling efficiency than air, allowing generator rotor and internal components to operate safely under high electrical loads. In the event of a generator trip or maintenance outage, the generator must be safely purged and depressurized before work can begin. A reliable hydrogen storage system ensures an adequate supply of hydrogen for generator operation, purging, repressurization, and emergency response activities. The project enhances operational reliability, supports personnel safety, and reduces the risk of generation unavailability resulting from insufficient hydrogen inventory or storage system failures.

## Project No: 04616527 Rio Bravo Outage Plant Capital 2027

Project Need Justification

(CBI-1) . Rio Bravo Controls Server and Workstation SCADA
The Rio Bravo Controls Server and Workstation project replaces aging SCADA infrastructure that is essential for monitoring, controlling, and operating generating unit equipment. Existing hardware has reached the end of its useful life and presents increasing risks associated with equipment failure, cybersecurity vulnerabilities, and limited vendor support. The upgraded system will improve operational reliability, enhance cybersecurity protections, support continued compliance with corporate and industry standards, and ensure operators maintain real-time visibility and control of critical plant systems. Failure of the control platform could result in loss of plant monitoring and control capabilities, increasing the risk of forced outages and reduced generating unit availability.
(CBI-2) . Rio Bravo Live Data Outage
The Rio Bravo Live Data Outage project modernizes critical data acquisition and communications equipment used to monitor plant performance and generation processes. Accurate and reliable operational data is necessary for maintaining efficient unit operation, identifying equipment degradation, and responding to abnormal operating conditions. The existing system is becoming increasingly unreliable due to age and obsolescence, creating a risk of lost operational visibility and delayed troubleshooting. This project will improve data integrity, enhance operator situational awareness, and support reliable generation by ensuring critical operating information remains continuously available to plant personnel and support teams.
(CBI-3). Rio Bravo Auxiliary Transformer and Switchgear Relay
The Rio Bravo Auxiliary Transformer and Switchgear Relay project replaces aging protective relays that are responsible for detecting electrical faults and isolating equipment from the system to prevent damage and maintain safe operations. Protective relays are critical components of the station's electrical protection scheme and are required to operate correctly during fault conditions. Aging relay technology increases the risk of mis-operations, extended outages, equipment damage, and increased maintenance costs. The project improves system reliability, enhances personnel and equipment protection, and supports compliance with applicable NERC Protection and Control (PRC) reliability standards and utility protection requirements by maintaining a dependable and supportable protection system.
(CBI-4). Rio Bravo GSU Transformer Relay
The Rio Bravo Generator Step-UpTransformer Relay project replaces obsolete protection equipment associated with one of the station's most critical electrical assets. The GSU transformer provides the connection between the generating unit and the transmission system, making proper relay operation essential for protecting both plant equipment and bulk electric system reliability. Failure of the existing relay system could result in catastrophic transformer damage, extended forced outages, and increased risk to grid reliability. The project enhances system protection performance, reduces the likelihood of relay mis-operations, and supports continued compliance with applicable NERC PRC standards governing protection system reliability and performance.
(CBI-5). Rio Bravo Install Hydrogen Tank 2027
Project Value Driver: Reliability / Safety / Operational Risk Reduction
The Rio Bravo Hydrogen Tank project provides a reliable source of high-purity hydrogen required for the cooling and operation of the hydrogen-cooled generator. Hydrogen cooling is essential to maintaining generator efficiency, capacity, and equipment life by effectively removing heat from generator internal components. The existing hydrogen storage capability presents operational and

**Project No:** **04616527 Rio Bravo Outage Plant Capital 2027**

supply reliability concerns that could impact the plant's ability to safely operate, purge, and return the generator to service following trips or maintenance outages. Installation of a new hydrogen storage tank will improve operational readiness, reduce the risk of generation unavailability due to hydrogen supply limitations, and enhance personnel and equipment safety by ensuring adequate hydrogen inventory is available for normal operations and emergency response situations.

**Project No:** **04616527 Rio Bravo Outage Plant Capital 2027**

Project Alternatives

(CBI-1). Rio Bravo Controls Server and Workstation (SCADA)
If the SCADA controls server and operator workstations are not replaced, the risk of hardware failure, software obsolescence, and cybersecurity vulnerabilities will continue to increase. A failure of these systems could result in loss of operator visibility, alarm management, historical data collection, trending capabilities, and control functionality necessary for plant operations. Extended outages or degraded system performance could impair operators' ability to respond to changing plant conditions, increasing the likelihood of unit trips, forced outages, reduced reliability, and higher maintenance costs. Additionally, aging systems may no longer be supported by the vendor, making repairs and cybersecurity management increasingly difficult.
(CBI-2). Rio Bravo Live Data Outage
If the live data collection and communication systems are not upgraded, the likelihood of data interruptions, inaccurate performance information, and equipment monitoring failures will increase. Loss of real-time operational data can hinder the ability of operators to identify developing equipment issues, optimize unit performance, and make informed operating decisions. Continued reliance on aging equipment may result in degraded operational visibility, reduced reliability, longer troubleshooting periods, increased outage risk, and inefficient plant operation. Over time, failures could negatively impact generation availability and maintenance planning.
(CBI-3). Rio Bravo Auxiliary Transformer and Switchgear Relay
Failure to replace aging auxiliary transformer and switchgear relays increases the risk of protection system malfunctions or failures. Obsolete relays may fail to properly detect and isolate electrical faults, potentially resulting in damage to critical plant electrical equipment, extended outages, and increased repair costs. A relay failure could also affect plant auxiliary power systems, jeopardizing the operation of essential plant equipment and reducing overall system reliability. As replacement parts and technical support become limited, outage durations and maintenance costs may increase significantly.
CBI-4). Rio Bravo GSU Transformer Relay
If the GSU transformer relays are not replaced, the plant faces an increased risk that electrical faults or abnormal operating conditions will not be detected and cleared appropriately. Protection system failures could result in severe transformer damage, extended forced outages, costly emergency repairs, and loss of generating capacity. Because the GSU transformer is a critical asset connecting the generator to the transmission system, inadequate protection creates significant reliability, safety, and operational risks. Continued operation with obsolete relays also increases maintenance challenges and reduces system supportability.
CBI-5). Rio Bravo Install Hydrogen Tank
If a new hydrogen storage system is not installed, the plant may experience insufficient hydrogen inventory or storage system limitations that could impact generator operation, maintenance activities, and outage recovery efforts. Inadequate hydrogen supply can affect generator cooling performance, potentially leading to elevated generator temperatures, reduced equipment efficiency, accelerated equipment degradation, and increased risk of forced outages. Additionally, the inability to adequately support purging, re-pressurization, or emergency response activities could delay outage work, extend unit downtime, and create operational and safety concerns associated with generator maintenance and restart activities.

**Project No:** **04616527** **Rio Bravo Outage Plant Capital 2027**

| | |
|---|---|
| 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: 04616527 Rio Bravo Outage Plant Capital 2027

Customer Benefit

(CBI-1). Rio Bravo Controls Server and Workstation (SCADA)
This project enhances the reliability and availability of Rio Bravo Generating Station by replacing aging control system infrastructure that is critical to plant monitoring and operation. Modernized SCADA servers and workstations reduce the risk of control system failures that could lead to unit derates or forced outages. By improving system reliability, cybersecurity, and operational visibility, the project helps ensure dependable electric service for customers while reducing the likelihood of unexpected generation interruptions and costly emergency repairs that can increase operating expenses over time.
(CBI-2). Rio Bravo Live Data Outage
This project improves the reliability of real-time operational data used to monitor generation equipment and optimize plant performance. Reliable data acquisition and communication systems enable operators to identify developing equipment issues earlier, respond more effectively to abnormal operating conditions, and maintain efficient unit operation. Customers benefit from improved generating unit reliability, enhanced plant performance, and a reduced risk of generation outages that could impact system reliability and increase operating costs.
(CBI-3). Rio Bravo Auxiliary Transformer and Switchgear Relay
This project strengthens the protection of critical electrical equipment that supports plant operation. Modern protective relays improve fault detection and isolation capabilities, reducing the likelihood of equipment damage and extended outages resulting from electrical faults. By maintaining a reliable and effective protection system, the project helps ensure continued generation availability, improves overall electric system reliability, and minimizes the potential for costly equipment failures that could ultimately affect customer costs and service quality.
(CBI-4). Rio Bravo GSU Transformer Relay
This project improves the reliability and protection of the Generator Step-Up (GSU) transformer, one of the most critical assets required to deliver electricity from the generating station to the transmission system. Modern relay technology reduces the risk of protection system mis-operations and helps prevent significant transformer damage that could result in lengthy outages and costly repairs. Customers benefit from enhanced electric system reliability, improved asset protection, and reduced risk of generation unavailability that could impact the cost and reliability of electric service.
(CBI-5). Rio Bravo Install Hydrogen Tank
This project supports the reliable operation of the hydrogen-cooled generator by ensuring an adequate and dependable supply of high-purity hydrogen required for generator cooling, maintenance activities, and post-outage restoration. The new hydrogen storage system reduces the risk of operational limitations or extended outages caused by insufficient hydrogen inventory. Customers benefit from improved generating unit availability, enhanced operational safety, and increased reliability of a critical generation resource that contributes to maintaining dependable electric service at the lowest practical cost.

## Project No: 04616527 Rio Bravo Outage Plant Capital 2027

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | A utility must adhere to North American Electric Reliability Corporation (NERC) Reliability standards that govern operations and planning activities on a Combustion Turbine Generating Station. The NERC standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of Protection systems to prevent mis operation or loss of generation.<br>Supports cybersecurity and control system governance requirements by replacing obsolete hardware and maintaining vendor-supported infrastructure necessary to meet current corporate and industry standards.<br>Protective relays are critical components of the station's electrical protection system and support compliance with utility protection requirements and applicable NERC Protection and Control standards. Modern relay technology helps ensure regulatory and reliability obligations are met.<br>The GSU transformer protection system is a critical component of Bulk Electric System reliability. Modern relay technology supports compliance with applicable NERC PRC standards and utility protection requirements governing transformer protection performance. |
| Customer Delivery | Improved operational visibility supports dependable generation and reduces the risk of unplanned outages, helping provide customers with reliable electric service and minimizing potential costs associated with forced outages.<br>Improved generator availability and operational readiness help maintain reliable energy production, supporting dependable service to customers and reducing the risk of higher replacement power costs. |
| Energy Transition | |

**Project No:** **04616527** **Rio Bravo Outage Plant Capital 2027**

General Services

Reliability & Resiliency

(CBI-1) Replaces aging control system servers and operator workstations that are essential for monitoring and controlling plant operations. The project improves system availability, reduces the risk of control system failures, and ensures continued reliable generation during normal and abnormal operating conditions.
(CBI-2) Improves the reliability and availability of critical operational data used to monitor equipment health and optimize plant performance. Reliable real-time data enables operators to identify issues quickly and maintain generating unit availability.
(CBI-3) Replacing aging relays reduces the risk of protection system misoperations, equipment damage, and extended outages, improving the reliability of critical station electrical systems.
(CBI-4) Improved fault detection and isolation capabilities reduce the risk of transformer damage, lengthy outages, and generation unavailability, thereby enhancing system reliability and resiliency.
(CBI-5) Provides a dependable supply of high-purity hydrogen necessary for generator cooling, outage recovery, and continued unit operation. The project reduces the risk of generation limitations or extended outages resulting from inadequate hydrogen storage capacity.

Safety & Security

Technology Advancements

## Project No: 04616527 Rio Bravo Outage Plant Capital 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: 04616527 Rio Bravo Outage Plant Capital 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 641,024 | - | - | - | - |
| 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 | - | - | 26,282 | - | - | - | - |
| 926: A&G Loads | - | - | 24,038 | - | - | - | - |
| 928: AFUDC Debt | - | - | 726 | 1,456 | - | - | - |
| 929: AFUDC Equity | - | - | 983 | 1,970 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (657,903) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (38,577) | - | - | - |
| Project Net | - | - | 693,053 | (693,053) | - | - | - |

## Project No: 04616527 Rio Bravo Outage Plant Capital 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 641,024 |
| 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 | - | - | - | 26,282 |
| 926: A&G Loads | - | - | - | 24,038 |
| 928: AFUDC Debt | - | - | - | 2,183 |
| 929: AFUDC Equity | - | - | - | 2,953 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (657,903) |
| 825: Closing Cost of Removal | - | - | - | (38,577) |
| Project Net | - | - | - | (0) |

## Project No: 04616527 Rio Bravo Outage Plant Capital 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 | 641,024 | 1,512,271 | - | - | 2,153,295 | - | - | - |
| 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 | 26,282 | 62,003 | - | - | 88,285 | - | - | - |
| 926: A&G Loads | 24,038 | 56,710 | - | - | 80,749 | - | - | - |
| 928: AFUDC Debt | 2,183 | 1,713 | 3,436 | - | 7,332 | - | - | - |
| 929: AFUDC Equity | 2,953 | 2,318 | 4,648 | - | 9,919 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (657,903) | - | (1,552,090) | - | (2,209,993) | - | - | - |
| 825: Closing Cost of Removal | (38,577) | - | (91,009) | - | (129,586) | - | - | - |
| Project Net | (0) | 1,635,016 | (1,635,016) | - | - | - | - | - |

## Project No: 04616527 Rio Bravo Outage Plant Capital 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 2,153,295 |
| 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 | - | - | - | - | - | - | 88,285 |
| 926: A&G Loads | - | - | - | - | - | - | 80,749 |
| 928: AFUDC Debt | - | - | - | - | - | - | 7,332 |
| 929: AFUDC Equity | - | - | - | - | - | - | 9,919 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,209,993) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (129,586) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70316028 Lordsburg Non Outage Plant Cap 2028

| | | |
|---|---|---|
| Company: | 003 | Bulk Power |
| Location: | 703 | Lordsburg |

**Project Information**

| | | | |
|---|---|---|---|
| County % | Hidalgo | 100% | |

Estimated Start Date 1/1/2028

Estimated Completion Date 12/31/2028

Description

This is an annual project to cover the non-emergent replacement of smaller capital assets at Lordsburg Generating Station in 2028. Covered work orders within this project are typically to replace assets essential to maintain and the ensure ongoing safe, compliant, efficient and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

**Project No:** **70316028** **Lordsburg Non Outage Plant Cap 2028**

| | |
|---|---|
| Project Need Justification | The capital improvements covered by this project include the replacement of existing assets that are critical either to the operation, or safe maintenance of the plant. |

**Project No:** **70316028** **Lordsburg Non Outage Plant Cap 2028**

| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing which could jeopardize the operability, reliability, or safe maintenance of the plant. |

**Project No:** **70316028** **Lordsburg Non Outage Plant Cap 2028**

| | |
|---|---|
| Project Estimate Approach | Project 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: 70316028 Lordsburg Non Outage Plant Cap 2028

Customer Benefit

This project provides customers with improved electric service reliability by enabling the timely replacement of critical plant equipment before failures impact generating unit performance. By addressing emergent equipment issues such as failing motors, pumps, instrumentation, and electrical components, the project reduces the risk of unit derates, forced outages, and extended maintenance events. Customers benefit from increased generation availability, improved system reliability, and reduced operating costs associated with emergency equipment repairs and unplanned outages.

## Project No: 70316028 Lordsburg Non Outage Plant Cap 2028

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The project covers the replacement of essential capital assets that ensure the compliant operation of the plant. For example, this project would cover the costs to replace selective catalytic reduction systems that are required for the compliant operation of the plant. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **70316028** **Lordsburg Non Outage Plant Cap 2028**

General Services

Reliability & Resiliency

This project covers the replacement of essential capital assets that ensure the reliable and efficient operation of the plant.

Safety & Security

This project covers the replacement of essential capital assets (e.g., control systems) that help to ensure safe operation of the plant.

Technology Advancements

## Project No: 70316028 Lordsburg Non Outage Plant Cap 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:** **70316028** **Lordsburg Non Outage Plant Cap 2028**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **70316028** **Lordsburg Non Outage Plant Cap 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 70316028 Lordsburg Non Outage Plant Cap 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 | - | - | - | - | - | - | - | - |
| 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:** **70316028** **Lordsburg Non Outage Plant Cap 2028**

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 137,478 | - | - | - | - | 137,478 |
| 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 | - | 4,825 | - | - | - | - | 4,825 |
| 928: AFUDC Debt | - | 129 | - | - | - | - | 129 |
| 929: AFUDC Equity | - | 204 | - | - | - | - | 204 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (118,972) | - | - | - | - | (118,972) |
| 825: Closing Cost of Removal | - | (23,665) | - | - | - | - | (23,665) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70316124 Lordsburg RO &Evaporation Pond

| | | |
|---|---|---|
| Company: | 003 | Bulk Power |
| Location: | 703 | Lordsburg |

**Project Information**

| | | | |
|---|---|---|---|
| | County % | Hidalgo | 100% |

Estimated Start Date 7/1/2024

Estimated Completion Date 8/31/2026

Description

Project will install a new reverse osmosis system and evaporation pond at the Lordsburg Generating Station to eliminate the discharge of effluent water into the City of Lordsburg water treatment system. PNM owns approximate 8 acres near the site that was chosen for the pond location. The pond is projected to be be approximately 4 acres long.

## Project No: 70316124 Lordsburg RO &Evaporation Pond

Project Need Justification

Historically the Lordsburg Generation Station plant produced effluent water that discharged to the City of Lordsburg water treatment system located adjacent to the plant property. In 2023, the City of Lordsburg announced that it would no longer be able to accept discharge water from the plant starting on January 1, 2026 due to total dissolved solids issues within the system. Given this limitation, a new reverse osmosis system and retention pond are required. After several discussions with the City of Lordsburg, PNM was granted an extension to have adequate time to design and construct the water treatment facility and ponds to comply with this change.

This project is considered a "Must Do" project due to the cancelation of the agreement with the City of Lordsburg and the need of PNM to have generation from this facility.

**Project No:** **70316124 Lordsburg RO &Evaporation Pond**

Project Alternatives

1) Purchase a reverse osmosis unit to reduce total effluent flow (which has an added benefit of reducing well water consumption) and construct an effluent evaporation pond to handle the plant water effluent. This is the recommended option.
2) Reduce power generated from the facility, and build a large effluent tank to store the water before is can be transported to another PNM water disposal site. This was not chosen due to unwanted generation constraints and large operational costs and impacts of transporting the effluent via trucks to other locations.

**Project No:** **70316124** **Lordsburg RO &Evaporation Pond**

| | |
|---|---|
| Project Estimate Approach | Project direct costs are estimated from vendor/contractor/engineering 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:** **70316124** **Lordsburg RO &Evaporation Pond**

| | |
|---|---|
| Customer Benefit | PNM customers will benefit as the installation will allow the plant to continue to operate at normal capacity, and safely treat and dispose of the effluent water necessary to cool the plant. This will ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant. |

## Project No: 70316124 Lordsburg RO &Evaporation Pond

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | As the Lordsburg Generation Station can no longer discharge water to the City of Lordsburg water treatment system, it must develop an alternative to safely store/dispose of the effluent. To ensure compliance with water regulations, PNM has proposed the use of a reverse osmosis system and evaporation pond near the facility. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **70316124** **Lordsburg RO &Evaporation Pond**

General Services

Reliability & Resiliency

This project covers the installation of reverse osmosis water treatment equipment and evaporation ponds to eliminate the discharge of effluent water into the City of Lordsburg system. This project will allow the plant to operate at full load capacity and ensure the reliable operation of the plant.

Safety & Security

Technology Advancements

## Project No: 70316124 Lordsburg RO &Evaporation Pond

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 80,858 | - | - | - | - | - | - | 80,858 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 15,547 | - | - | - | - | - | - | 15,547 |
| 370: Outside Services | 5,488,025 | - | - | - | - | - | - | 5,488,025 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (7,654) | - | - | - | - | - | - | (7,654) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,933 | - | - | - | - | - | - | 5,933 |
| 914: Pension and Benefits | 32,837 | - | - | - | - | - | - | 32,837 |
| 915: Injuries and Damages | 11,065 | - | - | - | - | - | - | 11,065 |
| 921: Stores Load | 15,234 | - | - | - | - | - | - | 15,234 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 277,468 | - | - | - | - | - | - | 277,468 |
| 928: AFUDC Debt | 131,964 | - | - | - | - | - | - | 131,964 |
| 929: AFUDC Equity | 85,962 | - | - | - | - | - | - | 85,962 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,036,238) | (100,999) | - | - | - | - | - | (6,137,237) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 100,999 | (100,999) | - | - | - | - | - | (0) |

## Project No: 70316124 Lordsburg RO &Evaporation Pond

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 80,858 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 15,547 | - | - | - | - | - | - |
| 370: Outside Services | 5,488,025 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | (7,654) | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,933 | - | - | - | - | - | - |
| 914: Pension and Benefits | 32,837 | - | - | - | - | - | - |
| 915: Injuries and Damages | 11,065 | - | - | - | - | - | - |
| 921: Stores Load | 15,234 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 277,468 | - | - | - | - | - | - |
| 928: AFUDC Debt | 131,964 | - | - | - | - | - | - |
| 929: AFUDC Equity | 85,962 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,137,237) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 70316124 Lordsburg RO &Evaporation Pond

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 80,858 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 15,547 |
| 370: Outside Services | - | - | - | 5,488,025 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | (7,654) |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 5,933 |
| 914: Pension and Benefits | - | - | - | 32,837 |
| 915: Injuries and Damages | - | - | - | 11,065 |
| 921: Stores Load | - | - | - | 15,234 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 277,468 |
| 928: AFUDC Debt | - | - | - | 131,964 |
| 929: AFUDC Equity | - | - | - | 85,962 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (6,137,237) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | (0) |

## Project No: 70316124 Lordsburg RO &Evaporation Pond

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 80,858 | - | - | - | 80,858 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 15,547 | - | - | - | 15,547 | - | - | - |
| 370: Outside Services | 5,488,025 | - | - | - | 5,488,025 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (7,654) | - | - | - | (7,654) | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,933 | - | - | - | 5,933 | - | - | - |
| 914: Pension and Benefits | 32,837 | - | - | - | 32,837 | - | - | - |
| 915: Injuries and Damages | 11,065 | - | - | - | 11,065 | - | - | - |
| 921: Stores Load | 15,234 | - | - | - | 15,234 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 277,468 | - | - | - | 277,468 | - | - | - |
| 928: AFUDC Debt | 131,964 | - | - | - | 131,964 | - | - | - |
| 929: AFUDC Equity | 85,962 | - | - | - | 85,962 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,137,237) | - | - | - | (6,137,237) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 70316124 Lordsburg RO &Evaporation Pond

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 80,858 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 15,547 |
| 370: Outside Services | - | - | - | - | - | - | 5,488,025 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | (7,654) |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 5,933 |
| 914: Pension and Benefits | - | - | - | - | - | - | 32,837 |
| 915: Injuries and Damages | - | - | - | - | - | - | 11,065 |
| 921: Stores Load | - | - | - | - | - | - | 15,234 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 277,468 |
| 928: AFUDC Debt | - | - | - | - | - | - | 131,964 |
| 929: AFUDC Equity | - | - | - | - | - | - | 85,962 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (6,137,237) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 70316126 Lordsburg U1 Depot Visit

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information**

| | | | |
|---|---|---|---|
| County % | Hidalgo | 100% | |

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2027

Description

The Lordsburg Generating Station (LGS) Unit 1 gas turbine is at the end of its useful life and needs to be rebuilt. This project involves the removal of the unit, shipping it to the depot to be rebuilt, then reinstallation of the unit. Specific work activities include, turbine removal, repair and re-install; shipping to & from depot; compartment hoist assembly and load tests; combustor, fuel nozzle, and hot section overhaul; service bulletin completion, and cell performance test.

Upon completion of this project, the usable life on the turbine will be 25,000 hours.

**Project No:** **70316126** **Lordsburg U1 Depot Visit**

| | |
|---|---|
| Project Need Justification | The most recent borescope inspection found that the turbine is at the end of its useful life and needs to be repaired. |

**Project No:** **70316126** **Lordsburg U1 Depot Visit**

| | |
|---|---|
| Project Alternatives | Engineering evaluated the system needs, costs and the potential risks associated with a complete overhaul, limited replacement of aged parts, or continue to operate the unit until failure. As the other alternatives are not as comprehensive and involve continuing to operate the unit which creates reliability risks if it were to fail and safety risks, the recommendation is the complete overhaul to provide long term reliability for unit. |

**Project No:** **70316126** **Lordsburg U1 Depot Visit**

| | |
|---|---|
| Project Estimate Approach | Estimates are based on quotes from facilities capable of performing work scope in a timely manner and include the cost of the rebuild and all labor. |

**Project No:** **70316126** **Lordsburg U1 Depot Visit**

| | |
|---|---|
| Customer Benefit | Customers benefit with continued ongoing safe, reliable, regulatory compliant and cost-effective management and operation of power generation assets. |

**Project No:** **70316126** **Lordsburg U1 Depot Visit**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70316126** **Lordsburg U1 Depot Visit**

General Services

Reliability & Resiliency

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time and higher costs.

Safety & Security

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Technology Advancements

## Project No: 70316126 Lordsburg U1 Depot Visit

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 1,699,885 | - | - | - | - | 1,699,885 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 87,000 | 87,000 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | - | - | 88,394 | - | - | - | 4,524 | 92,918 |
| 928: AFUDC Debt | - | - | 1,839 | 3,687 | 3,705 | 3,724 | 3,837 | 16,793 |
| 929: AFUDC Equity | - | - | 1,960 | 3,929 | 3,949 | 3,969 | 4,090 | 17,897 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | 1,792,077 | 7,616 | 7,655 | 7,694 | 99,451 | 1,914,492 |

## Project No: 70316126 Lordsburg U1 Depot Visit

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 1,699,885 | - | 806,174 | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 87,000 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 92,918 | - | 30,232 | - | - | - | - |
| 928: AFUDC Debt | 16,793 | 3,564 | 4,359 | - | - | - | - |
| 929: AFUDC Equity | 17,897 | 4,822 | 5,897 | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (2,317,835) | - | - | - | - |
| 825: Closing Cost of Removal | - | - | (451,705) | - | - | - | - |
| Project Net | 1,914,492 | 8,387 | (1,922,879) | - | - | - | - |

## Project No: 70316126 Lordsburg U1 Depot Visit

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | 985,323 | - | 3,491,382 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 87,000 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | - | 36,950 | - | 160,099 |
| 928: AFUDC Debt | - | 948 | - | 25,664 |
| 929: AFUDC Equity | - | 1,283 | - | 29,899 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | (854,500) | - | (3,172,335) |
| 825: Closing Cost of Removal | - | (170,004) | - | (621,709) |
| Project Net | - | - | - | - |

## Project No: 70316126 Lordsburg U1 Depot Visit

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 3,491,382 | - | - | - | 3,491,382 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 87,000 | - | - | - | 87,000 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 160,099 | - | - | - | 160,099 | - | - | - |
| 928: AFUDC Debt | 25,664 | - | - | - | 25,664 | - | - | - |
| 929: AFUDC Equity | 29,899 | - | - | - | 29,899 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,172,335) | - | - | - | (3,172,335) | - | - | - |
| 825: Closing Cost of Removal | (621,709) | - | - | - | (621,709) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70316126 Lordsburg U1 Depot Visit

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 3,491,382 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 87,000 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | 160,099 |
| 928: AFUDC Debt | - | - | - | - | - | - | 25,664 |
| 929: AFUDC Equity | - | - | - | - | - | - | 29,899 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (3,172,335) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (621,709) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70316325 Lordsburg U2 Depot Visit

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information**

County % Hidalgo 100%

Estimated Start Date 10/1/2025

Estimated Completion Date 1/31/2027

Description

The Lordsburg Generating Station (LGS) Unit 2 gas turbine is at the end of its useful life and needs to be rebuilt. This project involves the removal of the unit, shipping it to the depot to be rebuilt, then reinstallation of the unit. Specific work activities include, turbine removal, repair and re-install; shipping to & from depot; compartment hoist assembly and load tests; combustor, fuel nozzle, and hot section overhaul; service bulletin completion, and cell performance test.

Upon completion of this project, the usable life on the turbine will be 25,000 hours.

**Project No:** **70316325** **Lordsburg U2 Depot Visit**

| | |
|---|---|
| Project Need Justification | The most recent borescope inspection found that the turbine is at the end of its useful life and needs to be repaired. |

## Project No: 70316325 Lordsburg U2 Depot Visit

| | |
|---|---|
| Project Alternatives | Engineering evaluated the system needs, costs and the potential risks associated with a complete overhaul, limited replacement of aged parts, or continue to operate the unit until failure. As the other alternatives are not as comprehensive and involve continuing to operate the unit which creates reliability risks if it were to fail and safety risks, the recommendation is the complete overhaul to provide long term reliability for unit. |

## Project No: 70316325 Lordsburg U2 Depot Visit

| | |
|---|---|
| Project Estimate Approach | Estimates are based on quotes from facilities capable of performing work scope in a timely manner and include the cost of the rebuild and all labor. |

**Project No:** **70316325** **Lordsburg U2 Depot Visit**

| | |
|---|---|
| Customer Benefit | Customers benefit with continued ongoing safe, reliable, regulatory compliant and cost-effective management and operation of power generation assets. |

**Project No:** **70316325** **Lordsburg U2 Depot Visit**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70316325** **Lordsburg U2 Depot Visit**

General Services

Reliability & Resiliency

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time and higher costs.

Safety & Security

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Technology Advancements

## Project No: 70316325 Lordsburg U2 Depot Visit

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,739,162 | - | 2,945,000 | - | - | - | 1,639,019 | 6,323,181 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 87,000 | 87,000 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 86,958 | - | 153,140 | - | - | - | 89,753 | 329,851 |
| 928: AFUDC Debt | 27,385 | 4,522 | 7,730 | - | - | - | 1,867 | 41,504 |
| 929: AFUDC Equity | 21,768 | 4,819 | 8,238 | - | - | - | 1,990 | 36,816 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (4,441,446) | - | - | - | (1,517,666) | (5,959,112) |
| 825: Closing Cost of Removal | - | - | (557,276) | - | - | - | (301,963) | (859,239) |
| Project Net | 1,875,274 | 9,341 | (1,884,614) | - | - | - | - | - |

## Project No: 70316325 Lordsburg U2 Depot Visit

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 6,323,181 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 87,000 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 329,851 | - | - | - | - | - | - |
| 928: AFUDC Debt | 41,504 | - | - | - | - | - | - |
| 929: AFUDC Equity | 36,816 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,959,112) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (859,239) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70316325 Lordsburg U2 Depot Visit

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 6,323,181 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 87,000 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | - | - | - | 329,851 |
| 928: AFUDC Debt | - | - | - | 41,504 |
| 929: AFUDC Equity | - | - | - | 36,816 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (5,959,112) |
| 825: Closing Cost of Removal | - | - | - | (859,239) |
| Project Net | - | - | - | - |

## Project No: 70316325 Lordsburg U2 Depot Visit

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 6,323,181 | - | - | - | 6,323,181 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 87,000 | - | - | - | 87,000 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 329,851 | - | - | - | 329,851 | - | - | - |
| 928: AFUDC Debt | 41,504 | - | - | - | 41,504 | - | - | - |
| 929: AFUDC Equity | 36,816 | - | - | - | 36,816 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,959,112) | - | - | - | (5,959,112) | - | - | - |
| 825: Closing Cost of Removal | (859,239) | - | - | - | (859,239) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70316325 Lordsburg U2 Depot Visit

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 6,323,181 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 87,000 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | 329,851 |
| 928: AFUDC Debt | - | - | - | - | - | - | 41,504 |
| 929: AFUDC Equity | - | - | - | - | - | - | 36,816 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (5,959,112) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (859,239) |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **70316527** **Lordsburg Cap Planned Outage 2027**

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information**

| | | | |
|---|---|---|---|
| County % | Hidalgo | 100% | |

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

This project is for capital replacements to be made during planned outages at the Lordsburg Generating Station in 2027. This project is to perform periodic gas turbine major maintenance activities including hot gas path inspections, major inspections, major valve replacements, and other major capital expenditures.

**Project No:** **70316527 Lordsburg Cap Planned Outage 2027**

| | |
|---|---|
| Project Need Justification | In order to ensure reliable and efficient operation for years to come, periodic gas turbine major maintenance must be performed on a prescribed schedule based on gas turbine operating hours and fired starts. If this maintenance is not completed, the turbines are not fit for operation. Based on operation history, this maintenance must be performed in 2027. |

**Project No:** **70316527 Lordsburg Cap Planned Outage 2027**

| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing. This is not a feasible option as these inspections are needed to ensure the safe and reliable operation of this plant. |

## Project No: 70316527 Lordsburg Cap Planned Outage 2027

| | |
|---|---|
| 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:** **70316527 Lordsburg Cap Planned Outage 2027**

| | |
|---|---|
| Customer Benefit | Customer benefit from the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

**Project No:** **70316527 Lordsburg Cap Planned Outage 2027**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70316527 Lordsburg Cap Planned Outage 2027**

General Services

Reliability & Resiliency

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time and cost.

Safety & Security

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Technology Advancements

## Project No: 70316527 Lordsburg Cap Planned Outage 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: 70316527 Lordsburg Cap Planned Outage 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 165,000 |
| 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 | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 6,188 |
| 928: AFUDC Debt | - | - | - | - | - | - | 159 |
| 929: AFUDC Equity | - | - | - | - | - | - | 215 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (143,093) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (28,468) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70316527 Lordsburg Cap Planned Outage 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 165,000 |
| 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 | - | - | - | - |
| 926: A&G Loads | - | - | - | 6,188 |
| 928: AFUDC Debt | - | - | - | 159 |
| 929: AFUDC Equity | - | - | - | 215 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (143,093) |
| 825: Closing Cost of Removal | - | - | - | (28,468) |
| Project Net | - | - | - | - |

## Project No: 70316527 Lordsburg Cap Planned Outage 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 | 165,000 | - | - | - | 165,000 | - | - | - |
| 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 | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,188 | - | - | - | 6,188 | - | - | - |
| 928: AFUDC Debt | 159 | - | - | - | 159 | - | - | - |
| 929: AFUDC Equity | 215 | - | - | - | 215 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (143,093) | - | - | - | (143,093) | - | - | - |
| 825: Closing Cost of Removal | (28,468) | - | - | - | (28,468) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70316527 Lordsburg Cap Planned Outage 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 165,000 |
| 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 | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 6,188 |
| 928: AFUDC Debt | - | - | - | - | - | - | 159 |
| 929: AFUDC Equity | - | - | - | - | - | - | 215 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (143,093) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (28,468) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information**

Estimated Start Date 11/1/2023

Estimated Completion Date 12/31/2028

| County % | | |
|---|---|---|
| | San Miguel | 20% |
| | Valencia | 40% |
| | Luna | 20% |
| | Otero | 20% |

Description

This project is approved by NMPRC case number 25-00055-UT

As part of this phase of the Distribution Battery Capacity Expansion Project, five additional 6MW 4-hour battery storage facilities will be constructed and placed into service by the summer of 2027. The batteries will be co-located on existing PNM owned solar sites and interconnected on PNM distribution feeders. These battery storage installations will help alleviate distribution constraints, feeder limitations, and voltage control issues. They will also improve solar hosting capacity and help support PNM system resource adequacy in 2027 and 2028.

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

Project Need Justification

As part of the first phase of the Distribution Battery Capacity Expansion Project, two 6MW 4-hour battery storage facilities were constructed and placed into service. These facilities were co-located on existing PNM owned solar sites and interconnected on PNM distribution feeders that had high congestion to help alleviate distribution constraints on those feeders. This project will also improve system reliability by reducing solar energy-induced high voltages on distribution feeders that are at capacity. Batteries located on PNM solar sites will also enable additional customer solar interconnections on affected feeders without other significant system upgrades. Phase 2 will continue with the Phase 1 goals of addressing PNM system resource adequacy, feeder limitations, voltage control issues on feeders, while improving solar hosting capacity.

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

Project Alternatives

PNM's 2020 Integrated Resource Plan identified the need for significant investments in energy storage to meet balancing needs and ensure resource adequacy. Scheduling delays for developer solar/battery energy projects has increased the risk of inadequate reserve capacity as these projects may not be built in time. Compared to other projects, this energy storage addition has less inherent schedule risk due to the utilization of existing infrastructure and interconnections at PNM owned solar facilities.

**Project No:** **70518223** **Dist Battery Capacity Expand Phs 2**

| | |
|---|---|
| Project Estimate Approach | This contract was the result of Request for Proposal. The project was evaluated and the EPC chosen over field of multiple bidders based on price, equipment, experience, safety, and other key elements in the proposal. |

**Project No:** **70518223** **Dist Battery Capacity Expand Phs 2**

Customer Benefit

This project will help relive congested feeders that are overloading due to the amount of solar sited at the end of the feeders. By co-locating a battery on the existing solar site, the battery will utilize the power that is normally overloading the feeding to charge for use after peak sun. This eliminates costly upgrades to the feeder, helps contribute towards PNM's energy transition goals, and will allows for more customer rooftop solar installations in existing infrastructure.

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

| | |
|---|---|
| Primary Value Driver | Energy Transition |
| Compliance | As part of the Energy Transition Act, PNM will be required to transition to a zero-carbon portfolio. The project will contribute towards PNM's goal to achieve this target before 2040. |
| Customer Delivery | Putting batteries at the solar site that is the primary cause of high load during sunny hours helps eliminate congestion issues and will enable more customer to add rooftop solar. |
| Energy Transition | As part of the Energy Transition Act, PNM will be required to transition to a zero-carbon portfolio. The project will contribute towards PNM's goal to achieve this target before 2040. |

**Project No:** **70518223** **Dist Battery Capacity Expand Phs 2**

General Services

Reliability & Resiliency

As more renewables are brought onto PNM's electric system, storage batteries will be needed to assist with system reliability, especially during higher system demand times after solar facilities stop producing.

Safety & Security

Technology Advancements

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 18,573 | 18,573 | 18,573 | 18,573 | 18,573 | 27,860 | 120,727 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 10,844,066 | - | - | 1,363,569 | 1,463,517 | 1,590,973 | 15,262,125 |
| 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 | - | 1,332 | 1,332 | 1,332 | 1,332 | 1,332 | 1,998 | 8,656 |
| 914: Pension and Benefits | - | 6,490 | 6,490 | 6,490 | 6,490 | 6,490 | 9,734 | 42,182 |
| 915: Injuries and Damages | - | 1,863 | 1,863 | 1,863 | 1,863 | 1,863 | 2,794 | 12,109 |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 108,626 | 186 | 186 | 13,821 | 14,821 | 16,188 | 153,829 |
| 928: AFUDC Debt | - | 13,542 | 27,189 | 27,398 | 29,306 | 33,047 | 37,107 | 167,589 |
| 929: AFUDC Equity | - | 14,433 | 28,977 | 29,199 | 31,233 | 35,220 | 39,547 | 178,608 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | 11,008,925 | 84,609 | 85,040 | 1,466,187 | 1,574,862 | 1,726,202 | 15,945,824 |

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 120,727 | 40,000 | 40,000 | 40,000 | 23,386 | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 15,262,125 | 43,136,755 | 7,448,800 | 4,245,069 | 2,564,713 | - | - |
| 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 | 8,656 | 2,792 | 2,792 | 2,792 | 1,632 | - | - |
| 914: Pension and Benefits | 42,182 | 12,052 | 12,052 | 12,052 | 7,046 | - | - |
| 915: Injuries and Damages | 12,109 | 3,236 | 3,236 | 3,236 | 1,892 | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 153,829 | 431,768 | 74,888 | 42,851 | 25,881 | - | - |
| 928: AFUDC Debt | 167,589 | 84,021 | 141,435 | 155,446 | 164,015 | - | - |
| 929: AFUDC Equity | 178,608 | 113,667 | 191,338 | 210,293 | 221,886 | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (75,406,845) | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 15,945,824 | 43,824,290 | 7,914,541 | 4,711,739 | (72,396,394) | - | - |

**Project No:** **70518223** **Dist Battery Capacity Expand Phs 2**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 264,113 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 72,657,462 |
| 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 | - | - | - | 18,664 |
| 914: Pension and Benefits | - | - | - | 85,384 |
| 915: Injuries and Damages | - | - | - | 23,709 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 729,216 |
| 928: AFUDC Debt | - | - | - | 712,505 |
| 929: AFUDC Equity | - | - | - | 915,792 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (75,406,845) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | - |

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 264,113 | - | - | - | 264,113 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 72,657,462 | - | - | - | 72,657,462 | - | - | - |
| 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 | 18,664 | - | - | - | 18,664 | - | - | - |
| 914: Pension and Benefits | 85,384 | - | - | - | 85,384 | - | - | - |
| 915: Injuries and Damages | 23,709 | - | - | - | 23,709 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 729,216 | - | - | - | 729,216 | - | - | - |
| 928: AFUDC Debt | 712,505 | - | - | - | 712,505 | - | - | - |
| 929: AFUDC Equity | 915,792 | - | - | - | 915,792 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (75,406,845) | - | - | - | (75,406,845) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70518223 Dist Battery Capacity Expand Phs 2

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 264,113 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 72,657,462 |
| 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 | - | - | - | - | - | - | 18,664 |
| 914: Pension and Benefits | - | - | - | - | - | - | 85,384 |
| 915: Injuries and Damages | - | - | - | - | - | - | 23,709 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 729,216 |
| 928: AFUDC Debt | - | - | - | - | - | - | 712,505 |
| 929: AFUDC Equity | - | - | - | - | - | - | 915,792 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (75,406,845) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70518224 Sandia Battery Storage 60MW

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information**

| | County % | | |
|---|---|---|---|
| | Bernalillo | | 100% |

Estimated Start Date 11/1/2023

Estimated Completion Date 12/31/2026

Description

In November 2022, PNM issued a Request For Proposal (RFP) for resources deliverable in 2026, 2027 and 2028. PNM's evaluation of the 2026 RFP indicates that a utility owned stand-alone storage project (60 MW, 4-hour) located at the Sandia Substation in downtown Albuquerque (Sandia Substation Storage Project), is a component of the preferred portfolio. This is an Engineering, Procurement, and Construction (EPC) project. The contractor is Depcom Power Inc. and will be PNM-owned once it is commissioned in April 2026.

Activity for this project is in the process of being addressed by the proceedings for NMPRC Case No. 23-00353-UT, Public Service Company of New Mexico's Application for Approval of Purchased Power Agreements, Energy Storage Agreements, and Certificates of Public Convenience and Necessity for System Resources in 2026.

## Project No: 70518224 Sandia Battery Storage 60MW

Project Need Justification

PNM has a requirement to transition its system to carbon free by 2045 and a corporate goal to achieve the transition by 2040. PNM is also required under the Public Utilities Act to provide its customers safe and reliable electric service. PNM has been making strides to advance its required carbon free transition beginning with the abandonment of the San Juan Generating Station. The Sandia Substation Storage Project, while part of the recommended portfolio supported by the Independent Evaluator, also represents a utility-owned storage facility. Ownership provides benefits to our customers by allowing for complete control and unrestricted dispatch of battery energy storage systems by power operations. Ownership of batteries also takes advantage of recently passed tax benefits included in the Inflation Reduction Act, making utility owned batteries more competitive cost-wise. This project represents a start to balance the mix of utility owned resources and those contracted through purchase power contracts. A mix of ownership and contracted resources represents an optimal portfolio, addressing risks of deliverability and performance on long-term contracted power agreements with utility long-term ownership and management over maintenance and investment in the resources. In addition, the Sandia Substation is an ideal location for energy storage in the heart of Albuquerque, thus providing locational specific benefits for the system.

**Project No:** **70518224** **Sandia Battery Storage 60MW**

Project Alternatives

Evaluation of the 2026 RFP considered 31 individual projects with 58 different project variations submitted by 21 different bidders. The RFP evaluation process was conducted in 3 phases and was overseen by an Independent Evaluator. The proposed portfolio including the Sandia Substation Storage Project is part of the least cost portfolio when balancing a number of risks and is supported by the Independent Evaluator.
The "do nothing" alternative will not realize any of the benefits detailed above and will not support progress toward the required transition to carbon free generation.

**Project No:** **70518224** **Sandia Battery Storage 60MW**

| | |
|---|---|
| Project Estimate Approach | The costs were part of an Request for Proposal. The Sandia Substation Project will require a capital outlay of up to $0.6 million in 2023, $25 million in 2024, $92.4 million in 2025 and $17.6 million in 2026. PNM will seek recovery of these capital expenditures in a future general rate case filing with the NMPRC. |

**Project No:** **70518224** **Sandia Battery Storage 60MW**

| | |
|---|---|
| Customer Benefit | This project will increase the reliability and flexibility of PNM's system, including deliverability of more renewable energy. |

| **Project No:** | **70518224 Sandia Battery Storage 60MW** |
|---|---|
| Primary Value Driver | Energy Transition |
| Compliance | As part of the Energy Transition Act, PNM will be required to transition to a zero-carbon portfolio. PNM has a goal to achive this before 2040. |
| Customer Delivery | |
| Energy Transition | As part of the Energy Transition Act, PNM will be required to transition to a zero-carbon portfolio. PNM has a goal to achive this before 2040. |

**Project No:** **70518224** **Sandia Battery Storage 60MW**

General Services

Reliability & Resiliency

As more renewables are brought onto PNM's electric system, storage batteries will be needed to assist with system reliability, especially during higher system demand times shorter after solar facilities stop producing.

Safety & Security

Technology Advancements

## Project No: 70518224 Sandia Battery Storage 60MW

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 456,660 | 12,254 | 12,254 | 12,254 | - | - | - | 493,421 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,178,885 | - | - | - | - | - | - | 3,178,885 |
| 370: Outside Services | 116,936,355 | 296,277 | 2,653,728 | 224,502 | - | - | - | 120,110,863 |
| 374: Outside Services Legal | 24,153 | - | - | - | - | - | - | 24,153 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 450,812 | - | - | - | - | - | - | 450,812 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 33,506 | 879 | 879 | 879 | - | - | - | 36,142 |
| 914: Pension and Benefits | 177,370 | 4,281 | 4,281 | 4,281 | - | - | - | 190,215 |
| 915: Injuries and Damages | 54,809 | 1,229 | 1,229 | 1,229 | - | - | - | 58,496 |
| 921: Stores Load | 322,126 | - | - | - | - | - | - | 322,126 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,130,041 | 3,085 | 26,660 | 2,368 | - | - | - | 1,162,154 |
| 928: AFUDC Debt | 3,941,567 | 15,513 | 19,313 | 23,042 | - | - | - | 3,999,435 |
| 929: AFUDC Equity | 3,130,082 | 16,533 | 20,582 | 24,557 | - | - | - | 3,191,754 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (123,158,752) | - | - | (10,059,702) | - | - | - | (133,218,454) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 6,677,613 | 350,051 | 2,738,926 | (9,766,590) | - | - | - | (0) |

## Project No: 70518224 Sandia Battery Storage 60MW

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 493,421 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,178,885 | - | - | - | - | - | - |
| 370: Outside Services | 120,110,863 | - | - | - | - | - | - |
| 374: Outside Services Legal | 24,153 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 450,812 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 36,142 | - | - | - | - | - | - |
| 914: Pension and Benefits | 190,215 | - | - | - | - | - | - |
| 915: Injuries and Damages | 58,496 | - | - | - | - | - | - |
| 921: Stores Load | 322,126 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,162,154 | - | - | - | - | - | - |
| 928: AFUDC Debt | 3,999,435 | - | - | - | - | - | - |
| 929: AFUDC Equity | 3,191,754 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (133,218,454) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 70518224 Sandia Battery Storage 60MW

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 493,421 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 3,178,885 |
| 370: Outside Services | - | - | - | 120,110,863 |
| 374: Outside Services Legal | - | - | - | 24,153 |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 450,812 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 36,142 |
| 914: Pension and Benefits | - | - | - | 190,215 |
| 915: Injuries and Damages | - | - | - | 58,496 |
| 921: Stores Load | - | - | - | 322,126 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 1,162,154 |
| 928: AFUDC Debt | - | - | - | 3,999,435 |
| 929: AFUDC Equity | - | - | - | 3,191,754 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (133,218,454) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | (0) |

## Project No: 70518224 Sandia Battery Storage 60MW

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 493,421 | - | - | - | 493,421 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,178,885 | - | - | - | 3,178,885 | - | - | - |
| 370: Outside Services | 120,110,863 | - | - | - | 120,110,863 | - | - | - |
| 374: Outside Services Legal | 24,153 | - | - | - | 24,153 | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 450,812 | - | - | - | 450,812 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 36,142 | - | - | - | 36,142 | - | - | - |
| 914: Pension and Benefits | 190,215 | - | - | - | 190,215 | - | - | - |
| 915: Injuries and Damages | 58,496 | - | - | - | 58,496 | - | - | - |
| 921: Stores Load | 322,126 | - | - | - | 322,126 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,162,154 | - | - | - | 1,162,154 | - | - | - |
| 928: AFUDC Debt | 3,999,435 | - | - | - | 3,999,435 | - | - | - |
| 929: AFUDC Equity | 3,191,754 | - | - | - | 3,191,754 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (133,218,454) | - | - | - | (133,218,454) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 70518224 Sandia Battery Storage 60MW

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 493,421 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 3,178,885 |
| 370: Outside Services | - | - | - | - | - | - | 120,110,863 |
| 374: Outside Services Legal | - | - | - | - | - | - | 24,153 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 450,812 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 36,142 |
| 914: Pension and Benefits | - | - | - | - | - | - | 190,215 |
| 915: Injuries and Damages | - | - | - | - | - | - | 58,496 |
| 921: Stores Load | - | - | - | - | - | - | 322,126 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 1,162,154 |
| 928: AFUDC Debt | - | - | - | - | - | - | 3,999,435 |
| 929: AFUDC Equity | - | - | - | - | - | - | 3,191,754 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (133,218,454) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 70518526 Sunbelt Solar and Storage Facility

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information**

| | County % | San Juan | 100% |
|---|---|---|---|

Estimated Start Date 8/1/2025

Estimated Completion Date 12/31/2027

Description

This project has a certificate of public convenience and necessity (CCN) authorized by NMPRC Case Number 24-00271-UT.

This project constructs a 100MW solar facility with 50MW of battery storage on approximately 800 acres just South of the retired San Juan Generating Site (SJGS). The project location provides the convenience of a close grid tie at the SJGS switchyard and PNM has a current large generator interconnection agreement (LGIA) at that location. There is also existing transmission capacity to deliver energy to PNM customers, and physical bays and buss equipment where SJGS previously tied into the substation that would be utilized for the project. The project is located in an area adjacent to additional reclaimed mine space that could be used for potential future expansion. This project started construction in 2025 and will be completed in 2028.

The project will help meet three major PNM goals, 1) continue on the pathway to be carbon free by 2040; 2) build PNM owned resources in San Juan County; and 3) utilize reclaimed land from the retired San Juan Mine. This project is located within the Central Consolidated School District. Siting the facility within this school district will satisfy specific goals of the New Mexico Energy Transition Act and address prevailing concerns interveners had with other recent PNM renewable projects built elsewhere.

## Project No: 70518526 Sunbelt Solar and Storage Facility

Project Need Justification

In 2020, PNM's application for seven LM6000 gas turbines to replace output from SJGS was denied, with the NMPRC recommending the Company use other non-gas replacements. Though PNM identified several other potential replacement projects, none were located in San Juan County. As such, one of the biggest intervening complaints about the proposed projects was the location. This became a significant concern during the Sandia Battery Storage approval process because of the loss of revenue and jobs from the SJGS and the lack of replacement resources in the same school district.

Given the location, the Sunbelt project will address these concerns. Furthermore, we are proposing the project be built on reclaimed land from the retired San Juan Mine. Utilizing this land ensures a continuation of local investment and has less archaeological and biological risks (e.g., Mesa Verde cactus) then projects in other areas. Another benefit of using this area is the proximity of the SJGS substation. The retirement of SJGS left in place existing buss works and physical interconnecting bays in the San Juan Switchyard. This is expected to reduce the PNM LGIA substation improvement and the high-volage grid-tie costs due to proximity and existing infrastructure. Additionally, PNM has an LGIA in place for the San Juan Substation which eliminates the lengthy que time associated with other sites. Lastly, the interconnection locations at the San Juan Substation can fully utilize extra transmission capacity to deliver energy to PNM customers.

**Project No:** **70518526** **Sunbelt Solar and Storage Facility**

| | |
|---|---|
| Project Alternatives | This resource was chosen as part of the 2028 Request for Proposal (RFP) and reviewed by the independent evaluator. It was vetted against a multitude of other projects, locations and technologies as the best fit for the resource requirements. It is part of the approved 2028 portfolio. |

**Project No:** **70518526** **Sunbelt Solar and Storage Facility**

| | |
|---|---|
| Project Estimate Approach | The costs were the result of an RFP that was issued for additional generation resources. |

**Project No:** **70518526** **Sunbelt Solar and Storage Facility**

| | |
|---|---|
| Customer Benefit | This project will increase the reliability and flexibility of PNM's system, including deliverability of more renewable energy including storage. |

| **Project No:** | **70518526** **Sunbelt Solar and Storage Facility** |
|---|---|
| Primary Value Driver | Energy Transition |
| Compliance | As part of the Energy Transition Act, PNM will be required to transition to a zero-carbon portfolio. PNM has a goal to achieve this before 2040 and this resource will contribute towards meeting this goal. |
| Customer Delivery | |
| Energy Transition | As part of the Energy Transition Act, PNM will be required to transition to a zero-carbon portfolio. PNM has a goal to achieve this before 2040 and this resource will contribute towards meeting this goal. |

**Project No:** **70518526** **Sunbelt Solar and Storage Facility**

General Services

Reliability & Resiliency

As more renewables are brought onto PNM's electric system, storage batteries will be needed to assist with system reliability, especially during higher system demand times that cannot be served by solar facilities (i.e., early morning and evenings).

Safety & Security

Technology Advancements

## Project No: 70518526 Sunbelt Solar and Storage Facility

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 115,188 | 16,024 | 16,024 | 28,278 | 28,278 | 28,278 | 28,278 | 260,348 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,924,263 | 1,924,263 |
| 370: Outside Services | 52,462,772 | 14,976,516 | 8,278,796 | 7,039,481 | 6,658,137 | 8,236,564 | 21,053,607 | 118,705,872 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 14 | - | - | - | - | - | - | 14 |
| 805: Land and Land Rights | 817,550 | - | - | - | - | - | - | 817,550 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,307 | 1,149 | 1,149 | 2,028 | 2,028 | 2,028 | 2,028 | 18,715 |
| 914: Pension and Benefits | 42,540 | 5,599 | 5,599 | 9,880 | 9,880 | 9,880 | 9,880 | 93,259 |
| 915: Injuries and Damages | 13,064 | 1,607 | 1,607 | 2,836 | 2,836 | 2,836 | 2,836 | 27,623 |
| 921: Stores Load | 126,069 | - | - | - | - | - | 5,542 | 131,611 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 533,955 | 149,925 | 82,948 | 70,678 | 66,864 | 82,648 | 230,061 | 1,217,080 |
| 928: AFUDC Debt | 508,364 | 154,733 | 184,549 | 204,653 | 222,864 | 242,659 | 282,890 | 1,800,712 |
| 929: AFUDC Equity | 529,798 | 164,907 | 196,683 | 218,109 | 237,518 | 258,615 | 301,491 | 1,907,121 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 55,157,621 | 15,470,460 | 8,767,355 | 7,575,943 | 7,228,406 | 8,863,508 | 23,840,877 | 126,904,170 |

## Project No: 70518526 Sunbelt Solar and Storage Facility

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 260,348 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,924,263 | 1,500,000 | - | - | - | - | 3,200,000 |
| 370: Outside Services | 118,705,872 | 15,419,497 | 57,981,084 | 15,253,227 | 2,799,285 | 1,755,371 | 9,419,194 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 14 | - | - | - | - | - | - |
| 805: Land and Land Rights | 817,550 | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 18,715 | 2,094 | 2,094 | 2,094 | 2,094 | 2,094 | 2,094 |
| 914: Pension and Benefits | 93,259 | 9,039 | 9,039 | 9,039 | 9,039 | 9,039 | 9,039 |
| 915: Injuries and Damages | 27,623 | 2,427 | 2,427 | 2,427 | 2,427 | 2,427 | 2,427 |
| 921: Stores Load | 131,611 | 4,020 | - | - | - | - | 8,576 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,217,080 | 169,495 | 580,111 | 152,832 | 28,293 | 17,854 | 126,492 |
| 928: AFUDC Debt | 1,800,712 | 301,451 | 387,298 | 471,718 | 494,571 | 502,376 | 521,266 |
| 929: AFUDC Equity | 1,907,121 | 407,814 | 523,952 | 638,158 | 669,075 | 679,634 | 705,189 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 126,904,170 | 17,845,837 | 59,516,004 | 16,559,495 | 4,034,783 | 2,998,794 | 14,024,277 |

**Project No:** **70518526** **Sunbelt Solar and Storage Facility**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 30,000 | 30,000 | 17,000 | 517,348 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 6,624,263 |
| 370: Outside Services | 1,899,664 | 1,317,274 | 1,280,326 | 225,830,794 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 14 |
| 805: Land and Land Rights | - | - | - | 817,550 |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 2,094 | 2,094 | 1,187 | 36,654 |
| 914: Pension and Benefits | 9,039 | 9,039 | 5,122 | 170,693 |
| 915: Injuries and Damages | 2,427 | 2,427 | 1,375 | 48,415 |
| 921: Stores Load | - | - | - | 144,207 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | 19,297 | 13,473 | 12,973 | 2,337,900 |
| 928: AFUDC Debt | 540,418 | 546,959 | 552,818 | 6,119,587 |
| 929: AFUDC Equity | 731,098 | 739,948 | 747,874 | 7,749,862 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | (249,395,698) | (249,395,698) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 3,234,036 | 2,661,214 | (246,777,022) | 1,001,589 |

## Project No: 70518526 Sunbelt Solar and Storage Facility

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 517,348 | 17,000 | 17,000 | 17,000 | 568,348 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 6,624,263 | - | - | 3,700,000 | 10,324,263 | - | - | - |
| 370: Outside Services | 225,830,794 | 581,579 | 248,180 | 241,605 | 226,902,158 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 14 | - | - | - | 14 | - | - | - |
| 805: Land and Land Rights | 817,550 | - | - | - | 817,550 | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 36,654 | 1,187 | 1,187 | 1,187 | 40,213 | - | - | - |
| 914: Pension and Benefits | 170,693 | 5,122 | 5,122 | 5,122 | 186,059 | - | - | - |
| 915: Injuries and Damages | 48,415 | 1,375 | 1,375 | 1,375 | 52,541 | - | - | - |
| 921: Stores Load | 144,207 | - | - | 9,916 | 154,123 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,337,900 | 5,986 | 2,652 | 39,586 | 2,386,123 | - | - | - |
| 928: AFUDC Debt | 6,119,587 | 2,910 | 3,913 | 8,708 | 6,135,117 | - | - | - |
| 929: AFUDC Equity | 7,749,862 | 3,937 | 5,293 | 11,780 | 7,770,873 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (249,395,698) | - | - | (5,941,686) | (255,337,383) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 1,001,589 | 619,095 | 284,722 | (1,905,407) | 0 | - | - | - |

## Project No: 70518526 Sunbelt Solar and Storage Facility

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 568,348 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 10,324,263 |
| 370: Outside Services | - | - | - | - | - | - | 226,902,158 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 14 |
| 805: Land and Land Rights | - | - | - | - | - | - | 817,550 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 40,213 |
| 914: Pension and Benefits | - | - | - | - | - | - | 186,059 |
| 915: Injuries and Damages | - | - | - | - | - | - | 52,541 |
| 921: Stores Load | - | - | - | - | - | - | 154,123 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 2,386,123 |
| 928: AFUDC Debt | - | - | - | - | - | - | 6,135,117 |
| 929: AFUDC Equity | - | - | - | - | - | - | 7,770,873 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (255,337,383) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 0 |

**Project No:** **70716325** **Afton High Energy Pipe Repl HRH**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 8/31/2026

Description

This emergent project involves the complete replacement of two sections of steam piping deemed unacceptable for continued use. at the Afton Generating Station. The first section, part of the hot reheat system, is a 22-inch piece of pipe downstream of the attemperator that has flow accelerated corrosion in the two elbow sections and cracking in the straight section. The second section is an 18-inch loop that shows deformation and material softening from overheating during the original heat treatment, with all hardness numbers below acceptable levels. Both sections exceed the 20-foot minimum length required for capital replacement. This project will remove the two pieces of piping and elbows, weld in new sections, heat treat, and inspect the work before placing into service.

## Project No: 70716325 Afton High Energy Pipe Repl HRH

| | |
|---|---|
| Project Need Justification | If this piping section is not replaced, the risk of a catastrophic failure increases, which could result in unplanned outages, turbine damage, or even personnel injury. Continued operation with degraded high-energy piping may lead to steam leaks, loss of efficiency, and potential regulatory violations. These risks create significant operational, financial, and safety risks that drive the need for timely replacement of these sections of pipe. |

## Project No: 70716325 Afton High Energy Pipe Repl HRH

Project Alternatives

Alternatives considered included patch repairs of existing piping, rerouting the steam line via temporary bypasses, or implementing more frequent in-service inspections rather than replacement. However, these approaches present higher long-term risks, limited effectiveness, and potential safety issues. Full replacement of the segments is deemed the most cost-effective and reliable solution, providing operational assurance and minimizing future maintenance risks.

## Project No: 70716325 Afton High Energy Pipe Repl HRH

| | |
|---|---|
| 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:** **70716325 Afton High Energy Pipe Repl HRH**

| | |
|---|---|
| Customer Benefit | Replacing the high-energy piping improves system reliability, minimizing unexpected downtime and ensuring consistent power delivery to customers. Enhanced operational integrity of the combustion turbine and heat recovery steam generator (HRSG) maintains optimal electricity generation, supporting both base load and peak demand requirements. Customers benefit from stable electricity service, reduced interruptions, and increased confidence in the utility's commitment to provide reliable energy. |

**Project No:** **70716325 Afton High Energy Pipe Repl HRH**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70716325** **Afton High Energy Pipe Repl HRH**

General Services

Reliability & Resiliency

The primary value driver for this project is reliability and resiliency, as the new high-energy piping ensures sustained turbine and HRSG performance and reduces the risk of unplanned outages.

Safety & Security

Safety risks to employees and site visitors is reduced by mitigating potential hazards associated with high-temperature steam leaks.

Technology Advancements

## Project No: 70716325 Afton High Energy Pipe Repl HRH

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 9,477 | - | - | - | - | - | - | 9,477 |
| 120: Overtime-General | 8,132 | - | - | - | - | - | - | 8,132 |
| 350: Material Issues-Major | 157,758 | - | - | - | - | - | - | 157,758 |
| 370: Outside Services | 740,606 | - | - | - | - | - | - | 740,606 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 821 | - | - | - | - | - | - | 821 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,286 | - | - | - | - | - | - | 1,286 |
| 914: Pension and Benefits | 3,564 | - | - | - | - | - | - | 3,564 |
| 915: Injuries and Damages | 2,486 | - | - | - | - | - | - | 2,486 |
| 921: Stores Load | 2,583 | - | - | - | - | - | - | 2,583 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 45,799 | - | - | - | - | - | - | 45,799 |
| 928: AFUDC Debt | 10,325 | - | - | - | - | - | - | 10,325 |
| 929: AFUDC Equity | 6,321 | - | - | - | - | - | - | 6,321 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (854,680) | - | - | - | - | - | - | (854,680) |
| 825: Closing Cost of Removal | - | (134,478) | - | - | - | - | - | (134,478) |
| Project Net | 134,478 | (134,478) | - | - | - | - | - | - |

## Project No: 70716325 Afton High Energy Pipe Repl HRH

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 9,477 | - | - | - | - | - | - |
| 120: Overtime-General | 8,132 | - | - | - | - | - | - |
| 350: Material Issues-Major | 157,758 | - | - | - | - | - | - |
| 370: Outside Services | 740,606 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 821 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,286 | - | - | - | - | - | - |
| 914: Pension and Benefits | 3,564 | - | - | - | - | - | - |
| 915: Injuries and Damages | 2,486 | - | - | - | - | - | - |
| 921: Stores Load | 2,583 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 45,799 | - | - | - | - | - | - |
| 928: AFUDC Debt | 10,325 | - | - | - | - | - | - |
| 929: AFUDC Equity | 6,321 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (854,680) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (134,478) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70716325 Afton High Energy Pipe Repl HRH

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 9,477 |
| 120: Overtime-General | - | - | - | 8,132 |
| 350: Material Issues-Major | - | - | - | 157,758 |
| 370: Outside Services | - | - | - | 740,606 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 821 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 1,286 |
| 914: Pension and Benefits | - | - | - | 3,564 |
| 915: Injuries and Damages | - | - | - | 2,486 |
| 921: Stores Load | - | - | - | 2,583 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 45,799 |
| 928: AFUDC Debt | - | - | - | 10,325 |
| 929: AFUDC Equity | - | - | - | 6,321 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (854,680) |
| 825: Closing Cost of Removal | - | - | - | (134,478) |
| Project Net | - | - | - | - |

## Project No: 70716325 Afton High Energy Pipe Repl HRH

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 9,477 | - | - | - | 9,477 | - | - | - |
| 120: Overtime-General | 8,132 | - | - | - | 8,132 | - | - | - |
| 350: Material Issues-Major | 157,758 | - | - | - | 157,758 | - | - | - |
| 370: Outside Services | 740,606 | - | - | - | 740,606 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 821 | - | - | - | 821 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,286 | - | - | - | 1,286 | - | - | - |
| 914: Pension and Benefits | 3,564 | - | - | - | 3,564 | - | - | - |
| 915: Injuries and Damages | 2,486 | - | - | - | 2,486 | - | - | - |
| 921: Stores Load | 2,583 | - | - | - | 2,583 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 45,799 | - | - | - | 45,799 | - | - | - |
| 928: AFUDC Debt | 10,325 | - | - | - | 10,325 | - | - | - |
| 929: AFUDC Equity | 6,321 | - | - | - | 6,321 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (854,680) | - | - | - | (854,680) | - | - | - |
| 825: Closing Cost of Removal | (134,478) | - | - | - | (134,478) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70716325 Afton High Energy Pipe Repl HRH

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 9,477 |
| 120: Overtime-General | - | - | - | - | - | - | 8,132 |
| 350: Material Issues-Major | - | - | - | - | - | - | 157,758 |
| 370: Outside Services | - | - | - | - | - | - | 740,606 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 821 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 1,286 |
| 914: Pension and Benefits | - | - | - | - | - | - | 3,564 |
| 915: Injuries and Damages | - | - | - | - | - | - | 2,486 |
| 921: Stores Load | - | - | - | - | - | - | 2,583 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 45,799 |
| 928: AFUDC Debt | - | - | - | - | - | - | 10,325 |
| 929: AFUDC Equity | - | - | - | - | - | - | 6,321 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (854,680) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (134,478) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70716826 SCR Catalyst Replacement

| | | |
|---|---|---|
| Company: | 003 | Bulk Power |
| Location: | 707 | Afton-1 |

**Project Information**

| | | | |
|---|---|---|---|
| County % | Dona Ana | 100% | |

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2026

Description

This project replaces the selective catalyst reduction (SCR) catalyst at the Afton Generating Station. The SCR catalyst is responsible for reducing NOx emissions in the combustion turbine exhaust stream. The current SCR bank is original to the combined cycle plant upgrade in 2007. Recent testing has shown that the catalyst bank is reaching end of life, and this system must be replaced to ensure environmental compliance.

**Project No:** **70716826** **SCR Catalyst Replacement**

| | |
|---|---|
| Project Need Justification | Recent testing has shown that the catalyst is reaching end of life and requires replacement to continue to provide NOx reduction and reduce excess ammonia usage. |

**Project No:** **70716826** **SCR Catalyst Replacement**

| | |
|---|---|
| Project Alternatives | The only other option is to do nothing and continue to utilize the current SCR catalyst until emissions requirements are exceeded - at which time it will need to be replaced. To proactively address this issue, the recommended action is replacing the SCR catalyst. |

**Project No:** **70716826** **SCR Catalyst Replacement**

| | |
|---|---|
| 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 funding used during construction], etc.) are estimated and added to the direct costs. |

**Project No:** **70716826** **SCR Catalyst Replacement**

| | |
|---|---|
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

## Project No: 70716826 SCR Catalyst Replacement

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | A utility must adhere to NERC Reliability standards that govern operations and planning activities on a combustion turbine generating station. The NERC standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of protection systems to prevent mis operation or loss of generation. The SCR catalyst replacement project will ensure that the NOx reduction will meet the current emissions standard and meet the compliance and reliability required within the PRC-005. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **70716826** **SCR Catalyst Replacement**

General Services

Reliability & Resiliency

SCR systems are required for unit operation and environmental emissions compliance. This project ensures this piece of equipment is compliant and therefore lowers the risk of outage to the generating unit.

Safety & Security

Technology Advancements

## Project No: 70716826 SCR Catalyst 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 | - | 48,544 | - | - | - | - | - | 48,544 |
| 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 | - | 1,990 | - | - | - | - | - | 1,990 |
| 926: A&G Loads | - | 2,524 | - | - | - | - | - | 2,524 |
| 928: AFUDC Debt | - | 56 | - | - | - | - | - | 56 |
| 929: AFUDC Equity | - | 59 | - | - | - | - | - | 59 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (45,337) | - | - | - | - | - | (45,337) |
| 825: Closing Cost of Removal | - | (7,837) | - | - | - | - | - | (7,837) |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70716826 SCR Catalyst Replacement

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 48,544 | - | - | - | - | - | - |
| 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 | 1,990 | - | - | - | - | - | - |
| 926: A&G Loads | 2,524 | - | - | - | - | - | - |
| 928: AFUDC Debt | 56 | - | - | - | - | - | - |
| 929: AFUDC Equity | 59 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (45,337) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (7,837) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70716826 SCR Catalyst Replacement

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 48,544 |
| 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 | - | - | - | 1,990 |
| 926: A&G Loads | - | - | - | 2,524 |
| 928: AFUDC Debt | - | - | - | 56 |
| 929: AFUDC Equity | - | - | - | 59 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (45,337) |
| 825: Closing Cost of Removal | - | - | - | (7,837) |
| Project Net | - | - | - | - |

## Project No: 70716826 SCR Catalyst Replacement

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 48,544 | - | - | - | 48,544 | - | - | - |
| 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 | 1,990 | - | - | - | 1,990 | - | - | - |
| 926: A&G Loads | 2,524 | - | - | - | 2,524 | - | - | - |
| 928: AFUDC Debt | 56 | - | - | - | 56 | - | - | - |
| 929: AFUDC Equity | 59 | - | - | - | 59 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (45,337) | - | - | - | (45,337) | - | - | - |
| 825: Closing Cost of Removal | (7,837) | - | - | - | (7,837) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70716826 SCR Catalyst Replacement

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 48,544 |
| 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 | - | - | - | - | - | - | 1,990 |
| 926: A&G Loads | - | - | - | - | - | - | 2,524 |
| 928: AFUDC Debt | - | - | - | - | - | - | 56 |
| 929: AFUDC Equity | - | - | - | - | - | - | 59 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (45,337) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (7,837) |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **70717126** **Afton 52 Line Breaker Relays Repl**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 8/1/2026

Estimated Completion Date 12/31/2026

Description

This project will replace the failed three-phase generator circuit breaker located at the output of the GE 7FA gas turbine generator. The generator breaker is a critical protection and switching device that enables fault isolation, supports safe maintenance activities, and provides reliable integration of the generating unit with the electrical grid. The existing breaker failed while the unit was online, resulting in the loss of generation from Afton Station. The project scope includes disassembly and removal of the existing breaker cubicle components, including bus bars, contacts, and insulators, installation and assembly of the replacement breaker, torque verification of all electrical connections, gas pressure confirmation, grounding and continuity testing, trip validation, energization of the system, and restoration of successful generator synchronization with the grid. This investment restores critical protection functions and ensures reliable and safe operation of the generating unit.

## Project No: 70717126 Afton 52 Line Breaker Relays Repl

Project Need Justification

This project is necessary because the existing generator breaker has failed and is no longer capable of performing its intended protection and isolation functions. The generator breaker plays a vital role in coordinating protective relay actions, isolating faults, and protecting the generator and associated electrical equipment from potentially catastrophic damage. Without a fully functional breaker, the generating unit cannot safely operate or reliably synchronize with the transmission grid. The replacement is required to restore unit availability, maintain system reliability, reduce operational risks, and ensure that protection systems perform as designed during fault conditions.

## Project No: 70717126 Afton 52 Line Breaker Relays Repl

Project Alternatives

If the failed generator breaker is not replaced, Afton Generating Station will remain unable to return the affected generating unit to service, resulting in the continued loss of generation capacity. Additionally, the absence of a properly functioning generator breaker significantly increases the risk of equipment damage during electrical faults, as protection systems may be unable to isolate fault conditions effectively. Failure to replace the breaker could expose the generator, transformer, and associated electrical equipment to severe damage, increase arc flash hazards, and compromise safety. Continued operation without proper protection is not a viable option and may also create compliance concerns related to generator protection and grid reliability standards.

## Project No: 70717126 Afton 52 Line Breaker Relays Repl

| | |
|---|---|
| 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: 70717126 Afton 52 Line Breaker Relays Repl

| | |
|---|---|
| Customer Benefit | Replacing the generator breaker provides customers with improved reliability and resiliency by returning valuable generating capacity to service and ensuring dependable operation of the Afton facility. The project reduces the likelihood of prolonged outages caused by breaker failures and protects critical generation assets from major electrical faults that could result in extended outages and costly repairs. By maintaining proper fault protection and enabling safe synchronization with the grid, the project supports overall system stability and helps ensure reliable delivery of electricity to customers. The investment also reduces long-term maintenance costs and helps avoid more significant expenses associated with catastrophic equipment failures. |

## Project No: 70717126 Afton 52 Line Breaker Relays Repl

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | A utility must adhere to NERC Reliability standards that govern operations and planning activities on a Combustion Turbine Generating Station. The NERC standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of protection systems to prevent mis operation or loss of generation. The breaker replacement project helps to meet the compliance and reliability required within the PRC-005. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **70717126** **Afton 52 Line Breaker Relays Repl**

General Services

Reliability & Resiliency

This project restores a critical protection component that is required for the generator to operate and deliver power to the grid. The breaker replacement returns generation capacity to service, protects major plant assets from fault-related damage, and ensures continued reliable operation of the generating unit.

Safety & Security

This project significantly reduces electrical fault and arc flash hazards for plant personnel. The generator breaker provides essential fault isolation and protective coordination, helping safeguard employees, equipment, and the facility during abnormal operating conditions and allows for the safe performance of maintenance activities.

Technology Advancements

## Project No: 70717126 Afton 52 Line Breaker Relays Repl

| | 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 | - | - | - | - | - | - | 1,180,500 | 1,180,500 |
| 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 | - | - | - | - | - | - | 48,401 | 48,401 |
| 926: A&G Loads | - | - | - | - | - | - | 61,386 | 61,386 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,356 | 1,356 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,445 | 1,445 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,102,513) | (1,102,513) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (190,575) | (190,575) |
| Project Net | - | - | - | - | - | - | - | - |

**Project No:** **70717126** **Afton 52 Line Breaker Relays Repl**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 1,180,500 | - | - | - | - | - | - |
| 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 | 48,401 | - | - | - | - | - | - |
| 926: A&G Loads | 61,386 | - | - | - | - | - | - |
| 928: AFUDC Debt | 1,356 | - | - | - | - | - | - |
| 929: AFUDC Equity | 1,445 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,102,513) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (190,575) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **70717126** **Afton 52 Line Breaker Relays Repl**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 1,180,500 |
| 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 | - | - | - | 48,401 |
| 926: A&G Loads | - | - | - | 61,386 |
| 928: AFUDC Debt | - | - | - | 1,356 |
| 929: AFUDC Equity | - | - | - | 1,445 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,102,513) |
| 825: Closing Cost of Removal | - | - | - | (190,575) |
| Project Net | - | - | - | - |

## Project No: 70717126 Afton 52 Line Breaker Relays Repl

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 1,180,500 | - | - | - | 1,180,500 | - | - | - |
| 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 | 48,401 | - | - | - | 48,401 | - | - | - |
| 926: A&G Loads | 61,386 | - | - | - | 61,386 | - | - | - |
| 928: AFUDC Debt | 1,356 | - | - | - | 1,356 | - | - | - |
| 929: AFUDC Equity | 1,445 | - | - | - | 1,445 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,102,513) | - | - | - | (1,102,513) | - | - | - |
| 825: Closing Cost of Removal | (190,575) | - | - | - | (190,575) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70717126 Afton 52 Line Breaker Relays Repl

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 1,180,500 |
| 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 | - | - | - | - | - | - | 48,401 |
| 926: A&G Loads | - | - | - | - | - | - | 61,386 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,356 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,445 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,102,513) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (190,575) |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **70717425** **Afton Non Outage Plant Capital 2025**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 8/31/2026

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here is (1) - (CBI) Capital Budget Item Capital projects that is listed within Afton Non-Outage 2025 Blanket:

(CBI-1) Afton Small Capital Projects: This project funds the replacement or repair of individual pieces of equipment that become damaged, fail or reach the end of their useful. The equipment covered includes, but is not limited to, small motors and small pumps, and other reasonably identified like-in-kind capital replacements. Once such a replacement is identified, it will be processed through this project.

**Project No:** **70717425 Afton Non Outage Plant Capital 2025**

Project Need Justification

(CBI-1) PNM routinely inspects equipment to ensure it is in proper working order. If it is not, an evaluation is done to determine how best to address the issue (e.g., repair, replace, etc.). This project ensures the proper replacement of equipment to ensure the plant continues to operate in a safe and reliable manner.

**Project No:** **70717425 Afton Non Outage Plant Capital 2025**

| | |
|---|---|
| Project Alternatives | The only alternative is do nothing. This is not a viable approach as replacing equipment that is damaged or at the end of useful life is needed to reduce the risk of equipment failure, which could result in damage to other equipment, create a safety risk, and could impact the ability to operate the asset. |

**Project No:** **70717425** **Afton Non Outage Plant Capital 2025**

| | |
|---|---|
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |

**Project No:** **70717425 Afton Non Outage Plant Capital 2025**

| | |
|---|---|
| Customer Benefit | Small capital projects support the safe, reliable, environmentally compliant, and cost-effective operation of PNM's power generation assets. These projects address equipment conditions and operational needs identified throughout the year that could potentially affect safety and reliability. |

**Project No:** **70717425 Afton Non Outage Plant Capital 2025**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70717425** **Afton Non Outage Plant Capital 2025**

General Services

Reliability & Resiliency

Small pieces of equipment regularly require like-in-kind replacement. This project ensures that each piece of equipment is working properly, which will reduce the risk of outage to the generating unit.

Safety & Security

Replacing equipment that is either damaged or at the end of useful life reduces the risk of equipment failure which could create a safety risk to company personnel.

Technology Advancements

## Project No: 70717425 Afton Non Outage Plant Capital 2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,343 | - | - | - | - | - | - | 8,343 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,024 | - | - | - | - | - | - | 2,024 |
| 370: Outside Services | 111,480 | - | - | - | - | - | - | 111,480 |
| 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 | 609 | - | - | - | - | - | - | 609 |
| 914: Pension and Benefits | 3,137 | - | - | - | - | - | - | 3,137 |
| 915: Injuries and Damages | 1,178 | - | - | - | - | - | - | 1,178 |
| 921: Stores Load | 315 | - | - | - | - | - | - | 315 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,092 | - | - | - | - | - | - | 6,092 |
| 928: AFUDC Debt | 394 | - | - | - | - | - | - | 394 |
| 929: AFUDC Equity | 223 | - | - | - | - | - | - | 223 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (59,880) | (60,317) | - | - | - | - | - | (120,197) |
| 825: Closing Cost of Removal | - | (13,598) | - | - | - | - | - | (13,598) |
| Project Net | 73,916 | (73,916) | - | - | - | - | - | - |

## Project No: 70717425 Afton Non Outage Plant Capital 2025

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,343 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,024 | - | - | - | - | - | - |
| 370: Outside Services | 111,480 | - | - | - | - | - | - |
| 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 | 609 | - | - | - | - | - | - |
| 914: Pension and Benefits | 3,137 | - | - | - | - | - | - |
| 915: Injuries and Damages | 1,178 | - | - | - | - | - | - |
| 921: Stores Load | 315 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,092 | - | - | - | - | - | - |
| 928: AFUDC Debt | 394 | - | - | - | - | - | - |
| 929: AFUDC Equity | 223 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (120,197) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (13,598) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70717425 Afton Non Outage Plant Capital 2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 8,343 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 2,024 |
| 370: Outside Services | - | - | - | 111,480 |
| 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 | - | - | - | 609 |
| 914: Pension and Benefits | - | - | - | 3,137 |
| 915: Injuries and Damages | - | - | - | 1,178 |
| 921: Stores Load | - | - | - | 315 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 6,092 |
| 928: AFUDC Debt | - | - | - | 394 |
| 929: AFUDC Equity | - | - | - | 223 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (120,197) |
| 825: Closing Cost of Removal | - | - | - | (13,598) |
| Project Net | - | - | - | - |

## Project No: 70717425 Afton Non Outage Plant Capital 2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,343 | - | - | - | 8,343 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,024 | - | - | - | 2,024 | - | - | - |
| 370: Outside Services | 111,480 | - | - | - | 111,480 | - | - | - |
| 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 | 609 | - | - | - | 609 | - | - | - |
| 914: Pension and Benefits | 3,137 | - | - | - | 3,137 | - | - | - |
| 915: Injuries and Damages | 1,178 | - | - | - | 1,178 | - | - | - |
| 921: Stores Load | 315 | - | - | - | 315 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,092 | - | - | - | 6,092 | - | - | - |
| 928: AFUDC Debt | 394 | - | - | - | 394 | - | - | - |
| 929: AFUDC Equity | 223 | - | - | - | 223 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (120,197) | - | - | - | (120,197) | - | - | - |
| 825: Closing Cost of Removal | (13,598) | - | - | - | (13,598) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70717425 Afton Non Outage Plant Capital 2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 8,343 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,024 |
| 370: Outside Services | - | - | - | - | - | - | 111,480 |
| 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 | - | - | - | - | - | - | 609 |
| 914: Pension and Benefits | - | - | - | - | - | - | 3,137 |
| 915: Injuries and Damages | - | - | - | - | - | - | 1,178 |
| 921: Stores Load | - | - | - | - | - | - | 315 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 6,092 |
| 928: AFUDC Debt | - | - | - | - | - | - | 394 |
| 929: AFUDC Equity | - | - | - | - | - | - | 223 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (120,197) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (13,598) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70717426 Afton Non Outage Plant Capital 2026

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2026

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here are (4) - (CBI) Capital Budget Item Capital projects that are listed within Afton Non-Outage 2026 Blanket.

(CBI-1) Afton Small Capital Projects: This project is to replace/repair individual pieces of equipment that become damaged, fail, or reach the end of useful life. Examples of the equipment involved in this project include, but are not limited to small motors, small pumps, or other reasonably identified like-in-kind capital replacements. This project will be utilized to process those replacements.
(CBI-2) Project was cancelled. Afton Welder Plug Upgrade - The project was to standardize the welder plugs located at Afton, which provide temporary 480V Power for contractors performing work.
(CBI-3) Afton Entry Gate upgrade: This project will replace the aging security gate operator, entry gate, and call-in phone system at Afton.
(CBI-4) Afton Electrical Building HVAC Upgrade - this project replaces the failing HVAC(Heating/ Ventilation/Air conditioning) unit in the electrical building at Afton which is the original unit at the plant.

## Project No: 70717426 Afton Non Outage Plant Capital 2026

Project Need Justification

(CBI-1) PNM routinely inspects equipment to ensure it is in proper working order. If it is not, an evaluation is done to determine how best to address the issue (e.g., repair, replace, etc.). This project ensures the proper replacement of equipment to ensure the plant continues to operate in a safe and reliable manner.
(CBI-2) Project was cancelled - Afton Welder Plug upgrade.
(CBI-3) - Afton Entry Gate upgrade - Afton is 25 miles from the nearest interstate, in which the area needs to be secure more than in other places due to isolation. Law officers in need take a minimum of 30 minutes to arrive. The failing equipment on the entry gate requires a replacement so that there is no down time and call outs for maintenance repairs.
(CBI-4) - Afton Electrical Building HVAC upgrade: The Afton station is in an area with summer temperatures approaching 115 degrees F or higher. Heat within the electrical building will cause the servers and software in the Electrical building for plant controls to stop working. Keeping the temperature at an operating temperature is extremely important for reliability and operation.

## Project No: 70717426 Afton Non Outage Plant Capital 2026

Project Alternatives

(CBI-1) The only alternative is do nothing. This is not a viable approach as replacing equipment that is damaged or at the end of useful life is needed to reduce the risk of equipment failure, which could result in damage to other equipment, create a safety risk, and could impact the ability to operate the asset.
(CBI-2) Project was cancelled - Afton Welder Plug upgrade
(CBI-3) Afton Entry Gate upgrade - The replacement is recommended. The alternative is to keep call outs and maintenance on the gate to operate securely and provide the security needed for the isolated plant station.
(CBI-4) Afton Electrical Building HVAC - The replacement is recommended. The alternative is to not purchasing and install a replacement HVAC due to HVAC equipment failures, which would require the Afton station to have to be shutdown in extreme high temperature days. This would make the Afton station not reliable.

## Project No: 70717426 Afton Non Outage Plant Capital 2026

| | |
|---|---|
| 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:** **70717426 Afton Non Outage Plant Capital 2026**

Customer Benefit

(CBI-1) Small Capital Projects – Small capital projects support the safe, reliable, environmentally compliant, and cost-effective operation of PNM's power generation assets. These projects address equipment conditions and operational needs identified throughout the year that could potentially affect safety and reliability.

(CBI-2) Afton Welder Plug Upgrade – This project was cancelled.

(CBI-3) Afton Entry Gate Replacement – Replacing the entry gate will improve security at Afton Power Station by helping prevent unauthorized access, theft, and vandalism. Protecting critical generating equipment and facilities from damage keeps equipment running properly which supports the continued reliable operation of the station and providing reliable electric service to customers.

(CBI-4) Afton Electrical Building HVAC – Replacing the HVAC cooling unit will provide reliable temperature control for electrical equipment, particularly during the hottest time of the year when generating capacity is most critical. The project will reduce the risk of heat-related equipment failures, support generation availability, system reliability, and lower long-term maintenance and repair costs.

**Project No:** **70717426 Afton Non Outage Plant Capital 2026**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70717426** **Afton Non Outage Plant Capital 2026**

General Services

Reliability & Resiliency

(CBI-1) Afton Small capital projects - Small pieces of equipment regularly require like-in-kind replacement. This project ensures that each piece of equipment is working properly, which will reduce the risk of outage to the generating unit.
(CBI-2) Project cancelled - Afton Welder Plug upgrade.
(CBI-4 - Afton Electrical Building HVAC upgrade - Reliability is enhanced by controlling temperatures within the electrical building that houses servers, software, and plant control equipment that requires a cool environment in order to operate.

Safety & Security

(CBI-1) Afton Small Capital - Replacing equipment that is either damaged or at the end of useful life reduces the risk of equipment failure which could create a safety risk to company personnel.
(CBI-2) Project cancelled - Afton Welder plug upgrade.
(CBI- 3) Afton Entry Gate replacement - Security is greatly improved with a gate system that works correctly and has zero down time.

Technology Advancements

## Project No: 70717426 Afton Non Outage Plant Capital 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 610 | - | - | - | - | - | - | 610 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 274,327 | - | - | - | - | - | - | 274,327 |
| 370: Outside Services | 15,880 | 174,000 | - | - | - | - | - | 189,880 |
| 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 | 44 | - | - | - | - | - | - | 44 |
| 914: Pension and Benefits | 191 | - | - | - | - | - | - | 191 |
| 915: Injuries and Damages | 61 | - | - | - | - | - | - | 61 |
| 921: Stores Load | 383 | - | - | - | - | - | - | 383 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 7,134 | - | - | - | - | - | 7,134 |
| 926: A&G Loads | 14,541 | 9,048 | - | - | - | - | - | 23,589 |
| 928: AFUDC Debt | 422 | 626 | - | - | - | - | - | 1,048 |
| 929: AFUDC Equity | 321 | 667 | - | - | - | - | - | 989 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (133,642) | (336,524) | - | - | - | - | - | (470,166) |
| 825: Closing Cost of Removal | - | (28,090) | - | - | - | - | - | (28,090) |
| Project Net | 173,138 | (173,138) | - | - | - | - | - | - |

## Project No: 70717426 Afton Non Outage Plant Capital 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 610 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 274,327 | - | - | - | - | - | - |
| 370: Outside Services | 189,880 | - | - | - | - | - | - |
| 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 | 44 | - | - | - | - | - | - |
| 914: Pension and Benefits | 191 | - | - | - | - | - | - |
| 915: Injuries and Damages | 61 | - | - | - | - | - | - |
| 921: Stores Load | 383 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 7,134 | - | - | - | - | - | - |
| 926: A&G Loads | 23,589 | - | - | - | - | - | - |
| 928: AFUDC Debt | 1,048 | - | - | - | - | - | - |
| 929: AFUDC Equity | 989 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (470,166) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (28,090) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70717426 Afton Non Outage Plant Capital 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 610 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 274,327 |
| 370: Outside Services | - | - | - | 189,880 |
| 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 | - | - | - | 44 |
| 914: Pension and Benefits | - | - | - | 191 |
| 915: Injuries and Damages | - | - | - | 61 |
| 921: Stores Load | - | - | - | 383 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 7,134 |
| 926: A&G Loads | - | - | - | 23,589 |
| 928: AFUDC Debt | - | - | - | 1,048 |
| 929: AFUDC Equity | - | - | - | 989 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (470,166) |
| 825: Closing Cost of Removal | - | - | - | (28,090) |
| Project Net | - | - | - | - |

## Project No: 70717426 Afton Non Outage Plant Capital 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 610 | - | - | - | 610 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 274,327 | - | - | - | 274,327 | - | - | - |
| 370: Outside Services | 189,880 | - | - | - | 189,880 | - | - | - |
| 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 | 44 | - | - | - | 44 | - | - | - |
| 914: Pension and Benefits | 191 | - | - | - | 191 | - | - | - |
| 915: Injuries and Damages | 61 | - | - | - | 61 | - | - | - |
| 921: Stores Load | 383 | - | - | - | 383 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 7,134 | - | - | - | 7,134 | - | - | - |
| 926: A&G Loads | 23,589 | - | - | - | 23,589 | - | - | - |
| 928: AFUDC Debt | 1,048 | - | - | - | 1,048 | - | - | - |
| 929: AFUDC Equity | 989 | - | - | - | 989 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (470,166) | - | - | - | (470,166) | - | - | - |
| 825: Closing Cost of Removal | (28,090) | - | - | - | (28,090) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70717426 Afton Non Outage Plant Capital 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 610 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 274,327 |
| 370: Outside Services | - | - | - | - | - | - | 189,880 |
| 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 | - | - | - | - | - | - | 44 |
| 914: Pension and Benefits | - | - | - | - | - | - | 191 |
| 915: Injuries and Damages | - | - | - | - | - | - | 61 |
| 921: Stores Load | - | - | - | - | - | - | 383 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 7,134 |
| 926: A&G Loads | - | - | - | - | - | - | 23,589 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,048 |
| 929: AFUDC Equity | - | - | - | - | - | - | 989 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (470,166) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (28,090) |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **70717427** **Afton Non Outage Plant Capital 2027**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here is (1) - (CBI) Capital Budget Item Capital projects that is listed within Afton Non-Outage 2027 Blanket:

(CBI-1) Afton Small Capital Projects: This project is to replace/repair individual pieces of equipment that become damaged, fail, or reach the end of useful life. Examples of the equipment involved in this project include, but are not limited to small motors, small pumps, or other reasonably identified like-in-kind capital replacements. This project will be utilized to process those replacements.

## Project No: 70717427 Afton Non Outage Plant Capital 2027

Project Need Justification

(CBI-1) PNM routinely inspects equipment to ensure it is in proper working order. If it is not, an evaluation is done to determine how best to address the issue (e.g., repair, replace, etc.). This project ensures the proper replacement of equipment to ensure the plant continues to operate in a safe and reliable manner.

**Project No:** **70717427 Afton Non Outage Plant Capital 2027**

| | |
|---|---|
| Project Alternatives | (CBI-1) The only alternative is do nothing. This is not a viable approach as replacing equipment that is damaged or at the end of useful life is needed to reduce the risk of equipment failure, which could result in damage to other equipment, create a safety risk, and could impact the ability to operate the asset. |

## Project No: 70717427 Afton Non Outage Plant Capital 2027

| | |
|---|---|
| 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:** **70717427 Afton Non Outage Plant Capital 2027**

Customer Benefit

(CBI-1) Afton Small Capital projects - These miscellaneous replacement projects that occur throughout the year enable the timely replacement of critical equipment before failures can impact generating unit performance or result in power outages. By maintaining the reliable operation and availability of generating assets, these projects support dependable electric service for customers.

**Project No:** **70717427 Afton Non Outage Plant Capital 2027**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70717427** **Afton Non Outage Plant Capital 2027**

General Services

Reliability & Resiliency

Small pieces of equipment regularly require like-in-kind replacement. This project ensures that each piece of equipment is working properly, thereby reducing the risk of outage to the generating unit.

Safety & Security

Replacing equipment that is either damaged or at the end of useful life reduces the risk of equipment failure which could create a safety risk to company personnel.

Technology Advancements

## Project No: 70717427 Afton Non Outage Plant Capital 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: 70717427 Afton Non Outage Plant Capital 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 594,000 | - | - | - |
| 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 | - | - | - | 24,354 | - | - | - |
| 926: A&G Loads | - | - | - | 22,275 | - | - | - |
| 928: AFUDC Debt | - | - | - | 607 | - | - | - |
| 929: AFUDC Equity | - | - | - | 822 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (547,437) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (94,621) | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70717427 Afton Non Outage Plant Capital 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 594,000 |
| 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 | - | - | - | 24,354 |
| 926: A&G Loads | - | - | - | 22,275 |
| 928: AFUDC Debt | - | - | - | 607 |
| 929: AFUDC Equity | - | - | - | 822 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (547,437) |
| 825: Closing Cost of Removal | - | - | - | (94,621) |
| Project Net | - | - | - | - |

## Project No: 70717427 Afton Non Outage Plant Capital 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 | 594,000 | - | - | - | 594,000 | - | - | - |
| 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 | 24,354 | - | - | - | 24,354 | - | - | - |
| 926: A&G Loads | 22,275 | - | - | - | 22,275 | - | - | - |
| 928: AFUDC Debt | 607 | - | - | - | 607 | - | - | - |
| 929: AFUDC Equity | 822 | - | - | - | 822 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (547,437) | - | - | - | (547,437) | - | - | - |
| 825: Closing Cost of Removal | (94,621) | - | - | - | (94,621) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70717427 Afton Non Outage Plant Capital 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 594,000 |
| 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 | - | - | - | - | - | - | 24,354 |
| 926: A&G Loads | - | - | - | - | - | - | 22,275 |
| 928: AFUDC Debt | - | - | - | - | - | - | 607 |
| 929: AFUDC Equity | - | - | - | - | - | - | 822 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (547,437) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (94,621) |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **70717428** **Afton Non Outage Plant Capital 2028**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2028

Estimated Completion Date 12/31/2028

Description

(CBI-1) Afton Small Capital Projects: This project is to replace/repair individual pieces of equipment that become damaged, fail, or reach the end of useful life. Examples of the equipment involved in this project include, but are not limited to small motors, small pumps, or other reasonably identified like-in-kind capital replacements. This project will be utilized to process those replacements.

**Project No:** **70717428 Afton Non Outage Plant Capital 2028**

Project Need Justification

(CBI-1) PNM routinely inspects equipment to ensure it is in proper working order. If it is not, an evaluation is done to determine how best to address the issue (e.g., repair, replace, etc.). This project ensures the proper replacement of equipment to ensure the plant continues to operate in a safe and reliable manner.

**Project No:** **70717428 Afton Non Outage Plant Capital 2028**

| | |
|---|---|
| Project Alternatives | (CBI-1) The only alternative is do nothing. This is not a viable approach as replacing equipment that is damaged or at the end of useful life is needed to reduce the risk of equipment failure, which could result in damage to other equipment, create a safety risk, and could impact the ability to operate the asset. |

**Project No:** **70717428 Afton Non Outage Plant Capital 2028**

| | |
|---|---|
| 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:** **70717428 Afton Non Outage Plant Capital 2028**

Customer Benefit

(CBI-1) Afton Small Capital projects - These miscellaneous replacement projects that occur throughout the year enable the timely replacement of critical equipment before failures can impact generating unit performance or result in power outages. By maintaining the reliable operation and availability of generating assets, these projects support dependable electric service for customers.

**Project No:** **70717428 Afton Non Outage Plant Capital 2028**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **70717428** **Afton Non Outage Plant Capital 2028**

General Services

Reliability & Resiliency

Small pieces of equipment regularly require like-in-kind replacement. This project ensures that each piece of equipment is working properly, thereby reducing the risk of outage to the generating unit.

Safety & Security

Replacing equipment that is either damaged or at the end of useful life reduces the risk of equipment failure which could create a safety risk to company personnel.

Technology Advancements

## Project No: 70717428 Afton Non Outage Plant Capital 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: 70717428 Afton Non Outage Plant Capital 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **70717428** **Afton Non Outage Plant Capital 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 70717428 Afton Non Outage Plant Capital 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 | - | - | - | - | - | 50,985 | 50,985 | 50,985 |
| 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 | - | - | - | - | - | 2,090 | 2,090 | 2,090 |
| 926: A&G Loads | - | - | - | - | - | 1,790 | 1,790 | 1,790 |
| 928: AFUDC Debt | - | - | - | - | - | 51 | 153 | 256 |
| 929: AFUDC Equity | - | - | - | - | - | 80 | 242 | 404 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (99,030) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | (17,017) |
| Project Net | - | - | - | - | - | 54,996 | 55,260 | (60,522) |

## Project No: 70717428 Afton Non Outage Plant Capital 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 50,985 | 50,985 | 50,985 | 50,985 | 50,985 | 50,985 | 458,865 |
| 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 | 2,090 | 2,090 | 2,090 | 2,090 | 2,090 | 2,090 | 18,814 |
| 926: A&G Loads | 1,790 | 1,790 | 1,790 | 1,790 | 1,790 | 1,790 | 16,106 |
| 928: AFUDC Debt | 144 | 246 | 350 | 454 | 558 | 664 | 2,876 |
| 929: AFUDC Equity | 227 | 389 | 552 | 716 | 881 | 1,047 | 4,537 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (99,030) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (17,017) |
| Project Net | 55,235 | 55,500 | 55,767 | 56,035 | 56,304 | 56,575 | 385,151 |

## Project No: 70717526 Afton Outage Plant Capital 2026

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2026

Description

The Afton Outage Plant Projects for 2026 consist of (7) projects:
(CBI-1) Electrical Building UPS Installation: This project replaces the Uninterruptible Power Supply (UPS) in the in the Electrical Building Power distribution Center.
(CBI-2) Hazardous Gas Detector replacement: This project replaces the Hazardous Gas Detectors on the gas turbine compartment at Afton.
(CBI-3) Hydrogen Flow Indicator installation: This project installs a flow indication device on the hydrogen supply line and integrates it into the plant monitoring system.
(CBI-4) Dewpoint Heater Controls blower and motor Replacement: This project replaces the heater, along with the blower and motor.
(CBI-5) Low Pressure Admission Control Valve: This project replaces the low pressure (LP) admission valve on the GE A10 steam turbine.
(CBI-6) Afton Admin UPS wire in offices: This project installs a UPS in the Afton administrative building attached to the control room which houses critical plant support systems, communication equipment, and operational interfaces that must remain powered during any electrical disturbance.
(CBI-7) Turbine Control Battery Chargers: This project replaces two existing battery chargers serving the turbine control battery system.

**Project No:** **70717526 Afton Outage Plant Capital 2026**

Project Need Justification

(CBI-1) Electrical Building UPS Installation: The existing UPS in the plant's electrical building has exceeded its service life and is no longer reliable, creating a growing risk of failure during power disturbances. Its declining performance, obsolete components, and increasing maintenance issues threaten critical control systems, protective relays, and monitoring equipment. A failure of this UPS could lead to loss of control power, equipment damage, safety system impairment, and costly forced outages. Replacing the unit now avoids these risks and prevents expensive emergency repairs or extended downtime. Investing in a modern UPS strengthens plant reliability, supports safety and compliance goals, and protects high-value electrical assets.
(CBI-2) Hazardous Gas Detector replacement: Properly functioning hazardous gas detectors are essential to the safe operation of the Afton gas turbine. The existing detectors are original equipment, have never been replaced, and have reached the end of their useful lives. Failure of the detectors would prevent the gas turbine from operating, resulting in a loss of generation. Replacing the aging detectors will ensure continued safe operation of the gas turbine and reduce the risk of outages caused by detector failure.
(CBI-3) Hydrogen Flow Indicator installation: Afton relies on a high-pressure hydrogen system to supply cooling gas to the gas turbine generator, yet the system currently operates without a dedicated flow indication instrument. The absence of hydrogen flow monitoring creates a significant blind spot in both operational awareness and safety management, as operators cannot verify real-time consumption, detect abnormal usage, or identify leaks or system inefficiencies. Installing a flow indication device on the hydrogen supply line and integrating it into the plant monitoring system will provide continuous, accurate measurement of hydrogen flow, enabling early detection of deviations that could indicate equipment issues or safety hazards. Implementing this project enhances generator reliability, reduces operational risk and supports safe operation of the hydrogen system, strengthens situational awareness, provides the data needed to optimize hydrogen usage and protect high-value equipment, and improves compliance with industry best practices for monitoring critical gas systems.
(CBI-4) Dewpoint Heater Controls blower and motor Replacement: The dewpoint heater supporting the gas turbine fuel gas system has been in service for more than ten years and has reached the end of its reliable operating life. Its control system, blower, and motor are exhibiting age-related degradation, and the associated PLC hardware is now beyond the recommended ten-year replacement interval. Dewpoint heating is an essential part of the fuel gas conditioning process, ensuring that moisture and contaminants are removed so clean, dry fuel is delivered to the turbine for safe and efficient operation. As the heater's logic controllers and components continue to age, replacement parts are becoming obsolete or unavailable, increasing the risk of extended downtime or forced outages in the event of a failure. Replacing the heater, along with the blower and motor, provides a comprehensive and cost-effective solution that restores system reliability, reduces operational risk, and supports continued safe operation of the gas turbine.
(CBI-5) Low Pressure Admission Control Valve: The GE A10 steam turbine at Afton relies on multiple steam control valves to regulate steam flow, maintain turbine efficiency, and ensure safe, stable operation. The LP Admission valve has reached an advanced age and is exhibiting wear consistent with long-term service, increasing the likelihood of sticking, leakage, or failure during operation. As this valve plays a critical role in managing low-pressure steam admission, its degradation poses risks to turbine performance, load control, and overall unit reliability. Replacing the LP Admission valve proactively reduces the potential for forced outages, protects the turbine from operating outside design parameters, and ensures continued compliance with OEM recommendations and industry

**Project No:** **70717526 Afton Outage Plant Capital 2026**

best practices. This project strengthens operational reliability, minimizes maintenance risk, and supports long-term availability of the A10 steam turbine.

(CBI-6) Afton Admin UPS wire in offices: The Afton administrative building attached to the control room houses critical plant support systems, communication equipment, and operational interfaces that must remain powered during any electrical disturbance. Currently, this area does not have a UPS, leaving essential monitoring, networking, and control-adjacent functions vulnerable to outages, voltage dips, or switching events on the plant distribution system. Installing a UPS will provide stable, uninterrupted power to key equipment, ensuring that operators maintain visibility, communication, and access to essential systems during abnormal conditions. This upgrade reduces the risk of operational delays, data loss, and impaired situational awareness, all of which can negatively impact plant reliability and response capability. Implementing a dedicated UPS strengthens overall plant resilience, supports safe and continuous operation, and aligns with industry best practices for protecting control-room-adjacent infrastructure.

(CBI-7) Turbine Control Battery Chargers: The battery system serves as the sole power source for the turbine control system, making its reliability essential to safe and continuous plant operation. The two existing battery chargers, originally installed in 2002, have reached the end of their service life and are now considered obsolete, with no manufacturer support or replacement parts available. Modern charger technology offers significantly improved reliability, monitoring capability, and charging performance, all of which enhance the stability of the turbine control power supply. Failure of the aging chargers could result in loss of control power, potentially damaging the turbine control system and battery bank and rendering the generating unit unavailable until emergency replacements could be sourced and installed. Proactively replacing the chargers mitigates this operational risk, ensures dependable control power, and supports long-term unit availability.

**Project No:** **70717526 Afton Outage Plant Capital 2026**

| | |
|---|---|
| Project Alternatives | The alternative is a "do-nothing" scenario where the current equipment remains in service. This option is not recommended due to the fact that aging equipment increases the risk of system issues and downtime. The replacement of these pieces of equipment is recommended to provide continued reliable operation. In addition, the risk of doing nothing includes significant safety hazards such as fire risks and potential explosions in several of the projects, particularly CBI-2, 3, and 7. |

**Project No:** **70717526 Afton Outage Plant Capital 2026**

| | |
|---|---|
| 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:** **70717526 Afton Outage Plant Capital 2026**

| | |
|---|---|
| Customer Benefit | This project supports the safe, reliable, and cost-effective operation of Afton Station. This means customers benefit from increased generating unit reliability, improved safety, and reduced risk of forced outages. |

## Project No: 70717526 Afton Outage Plant Capital 2026

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | |
| Customer Delivery | These (7) Outage projects at Afton indirectly supports customer delivery by preventing service interruptions and bolsters compliance with electrical and safety standards regulating operational integrity in power generation facilities. |
| Energy Transition | |

**Project No:** **70717526** **Afton Outage Plant Capital 2026**

General Services

Reliability & Resiliency

The primary value driver of these (7) projects, is reliability and resiliency, which ensures that critical systems remain operational despite power fluctuations or outages. This implementation of these (7) projects ensures the continued, reliable operation of Afton.

Safety & Security

The secondary value driver of these (7) Afton Outage Projects, encompasses safety and security; by protecting sensitive electrical and control systems, the project mitigates the risk of accidents and potential hazards for plant personnel.

Technology Advancements

## Project No: 70717526 Afton Outage Plant Capital 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 15,477 | - | - | - | - | - | - | 15,477 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 22,817 | - | - | - | - | - | - | 22,817 |
| 370: Outside Services | 258,979 | 276,000 | 44,000 | 93,000 | 563,750 | - | - | 1,235,729 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 240 | - | - | - | - | - | - | 240 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,110 | - | - | - | - | - | - | 1,110 |
| 914: Pension and Benefits | 4,851 | - | - | - | - | - | - | 4,851 |
| 915: Injuries and Damages | 1,552 | - | - | - | - | - | - | 1,552 |
| 921: Stores Load | 69 | - | - | - | - | - | - | 69 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 11,316 | 1,804 | 3,813 | 23,114 | - | - | 40,047 |
| 926: A&G Loads | 14,864 | 14,352 | 2,288 | 4,836 | 29,315 | - | - | 65,655 |
| 928: AFUDC Debt | 482 | 570 | 941 | 1,103 | 1,863 | 2,520 | - | 7,480 |
| 929: AFUDC Equity | 370 | 608 | 1,003 | 1,176 | 1,986 | 2,686 | - | 7,828 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (218,116) | - | - | - | - | (1,027,056) | - | (1,245,172) |
| 825: Closing Cost of Removal | - | - | - | - | - | (157,683) | - | (157,683) |
| Project Net | 102,695 | 302,846 | 50,036 | 103,928 | 620,028 | (1,179,532) | - | (0) |

## Project No: 70717526 Afton Outage Plant Capital 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 15,477 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 22,817 | - | - | - | - | - | - |
| 370: Outside Services | 1,235,729 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 240 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,110 | - | - | - | - | - | - |
| 914: Pension and Benefits | 4,851 | - | - | - | - | - | - |
| 915: Injuries and Damages | 1,552 | - | - | - | - | - | - |
| 921: Stores Load | 69 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 40,047 | - | - | - | - | - | - |
| 926: A&G Loads | 65,655 | - | - | - | - | - | - |
| 928: AFUDC Debt | 7,480 | - | - | - | - | - | - |
| 929: AFUDC Equity | 7,828 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,245,172) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (157,683) | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 70717526 Afton Outage Plant Capital 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 15,477 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 22,817 |
| 370: Outside Services | - | - | - | 1,235,729 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 240 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 1,110 |
| 914: Pension and Benefits | - | - | - | 4,851 |
| 915: Injuries and Damages | - | - | - | 1,552 |
| 921: Stores Load | - | - | - | 69 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 40,047 |
| 926: A&G Loads | - | - | - | 65,655 |
| 928: AFUDC Debt | - | - | - | 7,480 |
| 929: AFUDC Equity | - | - | - | 7,828 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,245,172) |
| 825: Closing Cost of Removal | - | - | - | (157,683) |
| Project Net | - | - | - | (0) |

## Project No: 70717526 Afton Outage Plant Capital 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 15,477 | - | - | - | 15,477 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 22,817 | - | - | - | 22,817 | - | - | - |
| 370: Outside Services | 1,235,729 | - | - | - | 1,235,729 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 240 | - | - | - | 240 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,110 | - | - | - | 1,110 | - | - | - |
| 914: Pension and Benefits | 4,851 | - | - | - | 4,851 | - | - | - |
| 915: Injuries and Damages | 1,552 | - | - | - | 1,552 | - | - | - |
| 921: Stores Load | 69 | - | - | - | 69 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 40,047 | - | - | - | 40,047 | - | - | - |
| 926: A&G Loads | 65,655 | - | - | - | 65,655 | - | - | - |
| 928: AFUDC Debt | 7,480 | - | - | - | 7,480 | - | - | - |
| 929: AFUDC Equity | 7,828 | - | - | - | 7,828 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,245,172) | - | - | - | (1,245,172) | - | - | - |
| 825: Closing Cost of Removal | (157,683) | - | - | - | (157,683) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 70717526 Afton Outage Plant Capital 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 15,477 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 22,817 |
| 370: Outside Services | - | - | - | - | - | - | 1,235,729 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 240 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 1,110 |
| 914: Pension and Benefits | - | - | - | - | - | - | 4,851 |
| 915: Injuries and Damages | - | - | - | - | - | - | 1,552 |
| 921: Stores Load | - | - | - | - | - | - | 69 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 40,047 |
| 926: A&G Loads | - | - | - | - | - | - | 65,655 |
| 928: AFUDC Debt | - | - | - | - | - | - | 7,480 |
| 929: AFUDC Equity | - | - | - | - | - | - | 7,828 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,245,172) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (157,683) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 70717527 Afton Outage Plant Capital 2027

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here are (5) - (CBI) Capital Budget Item Capital projects that are listed within Afton Outage 2027 Blanket.

(CBI-1). Afton Hydrogen Tank and Piping: This project replaces and upgrades the hydrogen storage tank and associated piping that support the hydrogen-cooled generator at Afton Station. The generator relies on high-purity hydrogen gas to provide efficient rotor cooling and maintain reliable unit performance. The new system will ensure adequate hydrogen storage capacity, improve system reliability, and support safe generator operation during normal operating conditions, outages, and emergency events.
(CBI-2). Afton Battery Charger Electric Building: This project replaces the battery charger located within the Electrical Building Power Distribution Center. The charger is responsible for maintaining station batteries that provide critical direct current (DC) power to protection systems, control circuits, switchgear operations, communications equipment, and emergency systems required for safe plant operation.
(CBI-3). Afton Electrical Building UPS Installation: This project replaces the Uninterruptible Power Supply (UPS) serving critical electrical building loads. The UPS provides continuous power to essential plant control, monitoring, communication, and automation systems during power disturbances, ensuring uninterrupted operation of critical plant functions.
(CBI-4) Afton Waste Water RO Membrane. This project replaces the reverse osmosis (RO) membranes used in the station's wastewater treatment and water purification process. The RO system produces high-purity water required for critical plant systems and turbine operations, ensuring water quality standards are consistently maintained.
(CBI-5). Afton CEMS DAHS Computer: This project replaces the Continuous Emissions Monitoring System (CEMS) Data Acquisition and Handling System (DAHS) computer responsible for collecting, validating, storing, and reporting plant emissions data. The system serves as the primary platform for environmental data management and regulatory reporting.

## Project No: 70717527 Afton Outage Plant Capital 2027

Project Need Justification

(CBI-1) .The existing hydrogen storage and delivery system is a critical component of generator operation and safety. During generator trips or maintenance activities, hydrogen must be quickly and safely purged and replaced to prevent explosive gas mixtures and allow equipment access. Aging storage and piping infrastructure increase the risk of leaks, equipment failure, and insufficient hydrogen availability, potentially impacting unit reliability and personnel safety.
(CBI-2). The existing battery charger has exceeded its expected service life and has become increasingly unreliable. Failure of the charger could compromise battery performance and reduce the availability of essential DC power systems. Replacement is necessary to maintain dependable operation of critical plant controls and protection equipment.
(CBI-3). The existing UPS system has reached the end of its useful life and no longer provides the level of reliability required for critical plant operations. Component obsolescence, increasing maintenance requirements, and greater risk of failure necessitate replacement to maintain dependable backup power capability.
(CBI-4) RO membranes naturally degrade over time due to fouling, scaling, and normal operational wear. As membrane performance declines, water quality and system capacity deteriorate, increasing operating costs and threatening the plant's ability to supply high-purity water. Timely replacement is necessary to maintain reliable system performance and support continued plant operation.
(CBI-5). The existing DAHS computer is aging and presents increasing risks associated with hardware failure, software obsolescence, cybersecurity vulnerabilities, and loss of critical emissions data. Replacement is necessary to maintain reliable data acquisition and ensure continued compliance with environmental reporting requirements.

## Project No: 70717527 Afton Outage Plant Capital 2027

Project Alternatives

(CBI-1). Hydrogen Storage Tank and Piping Replacement
If the hydrogen storage tank and associated piping are not replaced, the risk of hydrogen leaks, equipment failures, and reduced cooling system reliability will increase as the equipment continues to age. Insufficient hydrogen storage capacity or system failures could compromise generator cooling performance, leading to elevated generator temperatures, reduced efficiency, accelerated equipment degradation, and potential forced outages. Additionally, aging hydrogen systems present increased safety risks associated with hydrogen containment and handling, potentially affecting personnel safety and generator availability.
(CBI-2). Electrical Building Battery Charger Replacement
Failure to replace the battery charger increases the risk that critical station batteries will not remain fully charged and available during loss of AC power events. A charger failure could result in insufficient DC power for protective relays, breaker operations, control systems, communications equipment, and emergency systems. Loss of critical DC power can impair plant protective functions, increase the likelihood of extended outages, delay equipment restoration efforts, and create safety and reliability concerns during emergency conditions.
CBI-3). Critical Electrical Building UPS Replacement
If the UPS is not replaced, aging components may become increasingly unreliable, raising the risk of UPS failures during power disturbances. Loss of uninterrupted power to critical control, monitoring, communication, and automation systems could result in loss of plant visibility, control interruptions, equipment trips, or unit outages. As equipment obsolescence increases, maintenance costs and repair times may also rise due to limited parts availability and manufacturer support, reducing overall plant reliability and resiliency.
(CBI-4). Reverse Osmosis (RO) Membrane Replacement
Deferring replacement of the RO membranes will result in declining water treatment performance, reduced water purity, and decreased system efficiency. Poor water quality can contribute to scaling, corrosion, and deposits within boilers, Heat Recovery Steam Generators (HRSGs), steam turbines, and other critical equipment. Continued operation with degraded membranes may increase chemical treatment costs, reduce plant efficiency, increase maintenance requirements, and elevate the risk of equipment damage or forced outages caused by water chemistry issues.
(CBI-5). CEMS DAHS Computer Replacement
If the DAHS computer is not replaced, the risk of equipment failure, data loss, and software obsolescence will continue to increase. Failure of the primary emissions data management platform could disrupt collection, storage, validation, and reporting of required environmental data. This could result in incomplete or inaccurate emissions reporting, increased manual data recovery efforts, regulatory compliance concerns, and potential violations of environmental reporting requirements. Additionally, unsupported hardware and operating systems increase cybersecurity vulnerabilities and may be difficult to repair or replace in the event of a failure.

## Project No: 70717527 Afton Outage Plant Capital 2027

| | |
|---|---|
| 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:** **70717527 Afton Outage Plant Capital 2027**

Customer Benefit

(CBI-1).Customers benefit from increased generating unit reliability, improved safety, and reduced risk of forced outages. A dependable hydrogen supply system helps ensure the generator remains available to produce electricity when needed, supporting overall system reliability while minimizing maintenance-related disruptions and costly emergency repairs.
(CBI-2).Customers benefit from improved power plant availability and enhanced system reliability. Reliable station DC systems support proper operation of protective relaying and control equipment, reducing the likelihood of equipment damage, extended outages, and interruptions to electric service.
(CBI-3).A modern UPS system improves the reliability of plant control and monitoring systems, reducing the likelihood of operational interruptions and equipment trips caused by power disturbances. This helps maintain generation availability and supports dependable electric service for customers.
(CBI-4).Customers benefit from improved plant efficiency, reliability, and operational availability. Maintaining high-quality water helps protect critical equipment from corrosion and deposits, reducing maintenance costs and minimizing the risk of generation losses associated with poor water chemistry.
(CBI-5).Customers benefit from continued regulatory compliance and avoidance of penalties, fines, or operational restrictions that could increase operating costs. A reliable emissions monitoring platform supports responsible environmental stewardship while ensuring continued operation of generating assets.

## Project No: 70717527 Afton Outage Plant Capital 2027

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | These (5) projects will maintain accurate emissions reporting and environmental compliance obligations. Improves reliability, security, and protection of critical environmental data. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **70717527** **Afton Outage Plant Capital 2027**

General Services

Reliability & Resiliency

These (5) Projects will reduce the risk of generator derates or outages caused by hydrogen system failures.
•Improves reliability of critical station DC power infrastructure. Minimizes the risk of control and protection system failures during abnormal operating conditions.
•Provides dependable backup power for critical control and automation systems. Reduces the risk of generation interruptions resulting from electrical disturbances.
•Maintains required water purity levels that protect major plant assets. Ensures continuous production of high-quality process water needed for generation.

Safety & Security

These (5) Projects support safe generator purging, startup, and shutdown activities while reducing operational risk.

Technology Advancements

## Project No: 70717527 Afton Outage Plant Capital 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: 70717527 Afton Outage Plant Capital 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 73,211 | 73,211 | 1,344,343 | - | - |
| 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 | - | - | 3,002 | 3,002 | 55,118 | - | - |
| 926: A&G Loads | - | - | 2,745 | 2,745 | 50,413 | - | - |
| 928: AFUDC Debt | - | - | 75 | 225 | 1,676 | - | - |
| 929: AFUDC Equity | - | - | 101 | 304 | 2,267 | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (1,374,968) | - | - |
| 825: Closing Cost of Removal | - | - | - | - | (237,471) | - | - |
| Project Net | - | - | 79,134 | 79,487 | (158,622) | - | - |

## Project No: 70717527 Afton Outage Plant Capital 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 1,490,765 |
| 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 | - | - | - | 61,121 |
| 926: A&G Loads | - | - | - | 55,904 |
| 928: AFUDC Debt | - | - | - | 1,976 |
| 929: AFUDC Equity | - | - | - | 2,673 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,374,968) |
| 825: Closing Cost of Removal | - | - | - | (237,471) |
| Project Net | - | - | - | - |

## Project No: 70717527 Afton Outage Plant Capital 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 | 1,490,765 | - | - | - | 1,490,765 | - | - | - |
| 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 | 61,121 | - | - | - | 61,121 | - | - | - |
| 926: A&G Loads | 55,904 | - | - | - | 55,904 | - | - | - |
| 928: AFUDC Debt | 1,976 | - | - | - | 1,976 | - | - | - |
| 929: AFUDC Equity | 2,673 | - | - | - | 2,673 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,374,968) | - | - | - | (1,374,968) | - | - | - |
| 825: Closing Cost of Removal | (237,471) | - | - | - | (237,471) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 70717527 Afton Outage Plant Capital 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,490,765 |
| 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 | - | - | - | - | - | - | 61,121 |
| 926: A&G Loads | - | - | - | - | - | - | 55,904 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,976 |
| 929: AFUDC Equity | - | - | - | - | - | - | 2,673 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,374,968) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (237,471) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70717528 Afton Outage Plant Capital 2028

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2028

Estimated Completion Date 12/31/2028

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here are (11) - (CBI) Capital Budget Item Capital projects that are listed within Afton Outage 2028 Blanket.

(CBI-1). Afton CEMS upgrade 2028: This project replaces and modernizes the Continuous Emissions Monitoring System (CEMS) Data Acquisition and Handling System (DAHS) hardware and software used at Afton Generating Station. The DAHS serves as the central platform for collecting, validating, storing, and reporting emissions data from the facility's monitoring systems. The upgrade improves system reliability, data integrity, cybersecurity, and long-term supportability while continuing to meet environmental reporting requirements. The DAHS is identified as the official emissions data storage and reporting platform for Afton operations.
(CBI-2). Afton Stack Diverter Skid HPU System replace: This project replaces the hydraulic power unit (HPU) skid that operates the stack diverter damper system on the steam side (ST). The HPU provides the hydraulic pressure and control required to position the diverter damper, directing turbine exhaust gas either to the Heat Recovery Steam Generator (HRSG) or to the bypass stack. Reliable operation of this equipment supports combined-cycle efficiency and operational flexibility.
(CBI-3). Afton ST HPU 2028: This project replaces the steam turbine hydraulic power unit (HPU).
(CBI-4). Flexibility Upgrade: This project implements the General Electric (GE) OpFlex load flexibility suite, automated tuning capabilities, and upgrades to ammonia and NOx analyzers. The enhancements enable expanded operating flexibility, deeper unit turndown capability, improved emissions monitoring accuracy, and emissions-compliant load transitions. The upgrade supports more responsive operation while maintaining environmental performance.
(CBI-5). Afton Combustion Turbine Inlet Air Filters replacement: This project replaces the combustion turbine inlet air filtration system that removes airborne contaminants and supports proper airflow to the combustion turbine. The filters also help maintain efficient compressor operation and support inlet air cooling performance.
(CBI-6). Afton HP Attemperator Block and control valve: This project replaces the high-pressure attemperator block and control valve used to regulate steam temperature before steam enters the steam turbine. The equipment cools high-temperature steam leaving the HRSG and enables controlled temperature transitions during load changes and startup operations.
(CBI-7). Afton Ammonia Vaporization Skid replacement: This project replaces the ammonia vaporization skid used to supply vaporized ammonia to the Selective Catalytic Reduction (SCR) system. The system ensures proper ammonia injection rates required for NOx reduction and emissions control.

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(CBI-8). Afton CEMS Umbilical replacement: This project replaces the CEMS sample line umbilicals that transport flue gas samples and calibration gases from the stack to the emissions monitoring equipment. The project includes replacement of aging sample tubing, insulation, and heat tracing systems necessary to maintain sample integrity.
(CBI-9). Afton Steam Seal Dump Valve: This project replaces the steam seal dump valve used to control and relieve excess steam seal pressure during steam turbine startup, shutdown, and transient operating conditions. The valve helps maintain proper sealing between turbine sections and protects turbine bearings and associated equipment.
(CBI-10). Afton Combustion Turbine Exhaust Expansion Joint replacement: This project replaces the combustion turbine exhaust expansion joint located between the turbine exhaust frame and the HRSG inlet. The component absorbs thermal expansion, vibration, and mechanical movement while maintaining exhaust system integrity.
(CBI-11). Afton Compressor Bleed Valve Replacement: This project replaces critical compressor bleed valves with upgraded stainless steel components. The bleed valves regulate compressor airflow during startup and low-load operation, ensuring proper compressor performance, combustion stability, and turbine operating efficiency.

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Project Need Justification

(CBI-1). Afton CEMS Upgrade: The existing DAHS platform is aging and presents increasing risks associated with hardware failures, software obsolescence, and loss of vendor support. Because the DAHS is responsible for emissions data validation and regulatory reporting, any system failure could result in reporting gaps, compliance concerns, and increased operational risk. Upgrading the system ensures reliable emissions monitoring, improves data availability, and supports ongoing environmental reporting obligations.
(CBI-2). Afton Stack Diverter Skid HPR system: The existing (HPU) Hydraulic Power Unit equipment is aging and increasingly susceptible to hydraulic leaks, control failures, and reduced reliability. Failure of the hydraulic system can prevent proper damper positioning, impacting HRSG operation, reducing plant efficiency, and potentially causing unit operating restrictions. Replacement restores dependable control of this critical system.
(CBI-3). Afton ST HPU: If the existing hydraulic systems fail, there could be delayed or missed turbine startups, leading to significant operational inefficiencies and increased outage durations. Such failures would compromise power generation reliability and could result in contractual noncompliance and financial penalties, emphasizing both operational and safety risks.
(CBI-4). Afton Flexibility Upgrade: As system operating requirements evolve, the plant must respond to changing load demands while maintaining emissions compliance. Existing controls and analyzer systems limit operational flexibility and increase the likelihood of combustion instability or emissions excursions during load changes. The upgrade improves unit responsiveness, reduces instability trip risk, and supports compliance across a wider operating range.
(CBI-5). Inlet filtration components degrade over time due to exposure to dust, debris, and environmental conditions. As filters become restricted or damaged, turbine performance decreases and the potential for compressor fouling increases. Routine replacement is necessary to maintain airflow, efficiency, and equipment protection.
(CBI-6). The existing valve and attemperator components are subject to wear from high temperatures, thermal cycling, and flow erosion. Failure or degraded performance can result in improper steam temperature control, increasing the risk of turbine damage and operational limitations.
(CBI-7). The existing skid has shown signs of aging and reduced reliability, creating risks to ammonia delivery and SCR performance. Equipment failures can result in degraded NOx control efficiency, emissions excursions, and operational restrictions.
(CBI-8). The existing sample line bundles are aging and increasingly susceptible to leaks, plugging, heat trace failures, and loss of sample integrity. These issues can compromise emissions monitoring accuracy and result in reporting failures or compliance risks.
(CBI-9). The valve is a critical component in maintaining proper steam seal system performance. Aging equipment, wear, and degradation can reduce responsiveness and reliability, increasing the risk of excessive seal pressure and turbine operating issues.
(CBI-10). Exhaust expansion joints are exposed to extreme thermal cycling and mechanical stress, causing material degradation over time. Failure of the expansion joint can result in exhaust gas leakage, efficiency losses, equipment damage, and unplanned outages.
(CBI-11). The existing valves are subject to wear, corrosion, and mechanical degradation that can lead to improper airflow control and reduced operating reliability. Failure of the bleed valve system can contribute to startup issues, performance degradation, and increased risk of combustion instability.

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Project Alternatives

Deferral was the only alternative considered. The consequences and why this alternative was not selected for each component of this project are outlined below.

(CBI-1). CEMS DAHS Hardware and Software Upgrade
If the DAHS hardware and software are not replaced, the risk of system failures, data loss, cybersecurity vulnerabilities, and unsupported software issues will continue to increase. Loss of the primary emissions data collection and reporting platform could result in incomplete or inaccurate environmental reporting, regulatory non-compliance, increased manual data collection efforts, and potential enforcement actions. Equipment obsolescence may also lead to extended outages of the monitoring system due to the inability to obtain replacement parts or technical support.
(CBI-2). Stack Diverter Damper Hydraulic Power Unit (HPU) Replacement
Failure of the diverter damper HPU could prevent proper positioning of the stack diverter damper, limiting the plant's ability to direct exhaust gas between the HRSG and bypass stack. This could reduce combined-cycle operating efficiency, restrict operational flexibility, increase equipment stress during abnormal operating conditions, and potentially force unit derates or outages. Continued operation with deteriorating hydraulic equipment also increases the likelihood of unplanned maintenance and hydraulic system failures.
(CBI-3). Steam Turbine Hydraulic Power Unit (HPU) Replacement
If the steam turbine HPU is not replaced, hydraulic system failures could impair operation of critical turbine control and stop valves. Loss of reliable valve control may result in startup failures, unit trips, forced outages, reduced turbine performance, and increased risk of equipment damage. As hydraulic components continue to age, maintenance requirements and failure frequency are expected to increase, reducing overall unit reliability and availability.
(CBI-4). GE OpFlex, Auto-Tuning, and Emissions Analyzer Upgrade
Without this upgrade, the plant's ability to operate flexibly and efficiently will be limited. Existing controls may not support deeper turndown operation or optimized load transitions, resulting in reduced dispatch flexibility and lower operating efficiency. Aging emissions analyzers may experience accuracy and reliability issues that could impact emissions reporting and compliance performance. Failure to modernize these systems could increase the risk of emissions exceedances, operational inefficiencies, and reduced ability to respond to changing grid demands.
(CBI-5). Combustion Turbine Inlet Air Filtration Replacement
If the inlet air filtration system is not replaced, degraded filters may allow contaminants to enter the compressor, accelerating compressor fouling, erosion, and equipment wear. Restricted airflow can reduce turbine output, efficiency, and inlet cooling effectiveness. Continued deterioration may increase maintenance costs, reduce unit performance, shorten equipment life, and elevate the risk of forced outages due to compressor-related issues.
(CBI-6). High-Pressure Attemperator Block and Control Valve Replacement
Failure of the attemperator block or control valve could impair the plant's ability to regulate steam temperature entering the steam turbine. Inadequate temperature control may cause thermal stress to turbine components, increase equipment degradation, reduce operating flexibility, and elevate the risk of turbine damage. Continued operation with unreliable equipment could result in forced

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outages, increased maintenance costs, and reduced plant efficiency.
(CBI-7). Ammonia Vaporization Skid Replacement
If the ammonia vaporization skid is not replaced, failures could disrupt ammonia delivery to the SCR system, reducing NOx removal effectiveness and increasing the risk of environmental permit violations. Insufficient ammonia injection could prevent the plant from meeting emissions limits, potentially resulting in regulatory non-compliance, operational restrictions, increased maintenance costs, or unit curtailments until repairs are completed.
(CBI-8). CEMS Sample Line Umbilical Replacement
Aging sample lines, insulation, and heat tracing systems can compromise sample integrity by allowing moisture intrusion, condensation, leaks, or inaccurate gas measurements. If replacement is deferred, the risk of unreliable emissions data and monitoring system failures increases significantly. This could result in inaccurate environmental reporting, regulatory compliance issues, increased maintenance requirements, and potential enforcement actions associated with invalid emissions data.
(CBI-9). Steam Seal Dump Valve Replacement
Failure of the steam seal dump valve could prevent proper control of steam seal pressure during startup, shutdown, and transient conditions. Improper seal pressure can contribute to steam leakage, reduced turbine efficiency, damage to bearings and auxiliary equipment, and increased maintenance costs. Continued degradation may lead to unit trips, forced outages, and accelerated wear of critical turbine components.
(CBI-10). Combustion Turbine Exhaust Expansion Joint Replacement
If the exhaust expansion joint is not replaced, continued deterioration could result in exhaust gas leaks, loss of system integrity, and damage to surrounding equipment. Failed expansion joints may no longer adequately absorb thermal growth and vibration, increasing mechanical stress on the turbine exhaust and HRSG ductwork. A catastrophic failure could require an unplanned outage and significant repairs, reducing plant reliability and availability.
(CBI-11). Compressor Bleed Valve Replacement
Failure of compressor bleed valves can adversely affect airflow management during startup and low-load operation, increasing the risk of compressor instability, combustion issues, and turbine trips. As existing components continue to age, failures may become more frequent, resulting in reduced unit reliability, lower operating efficiency, increased maintenance costs, and potential damage to turbine components. The inability to properly regulate compressor airflow may also limit operational flexibility and generation availability.

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| | |
|---|---|
| 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. |

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Customer Benefit

(CBI-1). Customers benefit from a more reliable generating facility that maintains compliance with environmental regulations while reducing the risk of operational disruptions associated with emissions monitoring failures. The project supports continued operation of the plant by ensuring accurate reporting and minimizing compliance-related risks that could impact generation availability.
(CBI-2). Customers benefit through improved generating efficiency and reduced risk of forced outages. Reliable damper operation helps maximize energy production from the HRSG while supporting flexible plant operation to meet customer demand.
(CBI-3). Customers benefit from improved generating unit availability and reduced risk of forced outages. Reliable hydraulic control systems support stable generation performance and ensure plant resources remain available during peak demand periods.
(CBI-4). Customers benefit from a more flexible generating resource capable of responding quickly to changing grid conditions while maintaining environmental compliance. Improved operating flexibility supports grid reliability and more efficient use of generation assets.
(CBI-5). Customers benefit from improved turbine reliability, sustained generation output, and reduced maintenance costs. Effective filtration helps maintain generating capacity and protects major turbine components from premature degradation.
(CBI-6). Customers benefit from improved turbine protection, greater operational reliability, and reduced risk of forced outages. Reliable steam temperature control helps maximize equipment life and maintain dependable electricity production.
(CBI-7). Customers benefit through reliable environmental compliance and continued plant operation. Stable ammonia delivery improves SCR effectiveness and reduces the risk of environmental compliance events that could affect generation availability.
(CBI-8). Customers benefit from reliable emissions monitoring and uninterrupted plant operation. Accurate emissions measurements support regulatory compliance and help avoid operating restrictions or corrective actions that could negatively impact generating resources.
(CBI-9). Customers benefit through improved turbine reliability, reduced outage risk, and enhanced protection of critical generating assets. Reliable steam seal control contributes to long-term equipment health and generation availability.
(CBI-10). Customers benefit from improved plant reliability, reduced maintenance costs, and continued efficient operation of the combined-cycle facility. Reliable exhaust system performance supports sustained generation capability.
(CBI-11). Customers benefit from improved turbine performance, enhanced reliability, and reduced risk of forced outages. Reliable airflow control supports efficient generation and helps ensure plant availability during periods of customer demand.

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| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | •(CBI-1) Afton CEMS DAHS Computer<br>Supports continued compliance with environmental permit requirements through accurate collection, validation, storage, and reporting of emissions monitoring data.<br>•(CBI-2) Flexibility Upgrade / OpFlex Autotune / Ammonia and NOx Analyzers<br>Improves emissions control and monitoring performance to maintain compliance with NOx permit limits during startup, shutdown, and load-following operations.<br>•(CBI-7) . Afton Ammonia Vaporization Skid Replacement<br>Ensures reliable ammonia delivery to the SCR system, supporting continuous NOx reduction performance and compliance with environmental regulations.<br>•(CBI-8) Afton CEMS Umbilical Replacement<br>Restores accurate transport of flue gas samples and calibration gases necessary for valid emissions monitoring, reporting, and environmental compliance. |
| Customer Delivery | •(CBI-2) . Afton Stack Diverter Skid HPU System Replacement<br>Supports efficient combined-cycle operation by maximizing heat recovery and generation output, helping ensure reliable energy delivery to customers.<br>•(CBI-5) Afton CT Inlet Air Filters Replacement<br>Maintains generating capacity and turbine efficiency by ensuring adequate airflow and equipment protection, supporting reliable customer service.<br>•(CBI-11) . Afton Compressor Bleed Valve Replacement<br>Supports generation availability and operational efficiency by maintaining proper compressor performance and reducing the risk of forced outages that could impact customer service. |
| Energy Transition | |

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General Services

Reliability & Resiliency

•(CBI-1) Afton CEMS DAHS Computer
Improves the reliability of the plant's emissions monitoring and reporting infrastructure by replacing aging hardware and software that could result in loss of critical environmental data, reporting capability, or system functionality.
•(CBI-2) Afton Stack Diverter Skid HPU System Replacement
Restores dependable hydraulic control of the stack diverter damper to ensure proper routing of turbine exhaust gas and reliable operation of the combined-cycle generating process.
•(CBI-3) Afton ST HPU 2028
Ensures reliable operation of steam turbine control and stop valves required for startup, loading, shutdown, and turbine protection functions, reducing the risk of forced outages.
•(CBI-4) Flexibility Upgrade / OpFlex Autotune / Ammonia and NOx Analyzers
Enhances unit flexibility and combustion stability across a wider operating range, reducing instability trips and improving the plant's ability to respond to changing system demands.
•(CBI-5) Afton CT Inlet Air Filters Replacement
Protects combustion turbine equipment from airborne contaminants while maintaining proper airflow required for reliable turbine performance and generation output.
•(CBI-6) Afton HP Attemperator Block and Control Valve Replacement
Maintains precise steam temperature control to protect steam turbine equipment and ensure reliable operation during startup, shutdown, and load changes.
•(CBI-7) Afton Ammonia Vaporization Skid Replacement
Improves reliability of ammonia delivery to the SCR system, reducing the risk of emissions control failures and operational limitations.
•(CBI-8) Afton CEMS Umbilical Replacement
Reduces the risk of emissions monitoring failures caused by leaking, plugged, or deteriorated sample lines, heat tracing, and calibration gas transport systems.
•(CBI-9) Afton Steam Seal Dump Valve
Maintains reliable control of steam seal pressures and supports dependable turbine operation during transient operating conditions.
•(CBI-10) Afton CT Exhaust Expansion Joint

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Accommodates thermal movement and vibration while maintaining exhaust system integrity, reducing the likelihood of equipment damage and unplanned outages.

•(CBI-11) Afton Compressor Bleed Valve Replacement

Improves compressor airflow control and operating stability by replacing aging valves that can contribute to startup issues, performance degradation, and turbine trips.

Safety & Security

•(CBI-3) . Afton ST HPU 2028

Provides dependable hydraulic control of turbine valves during abnormal operating conditions, protecting personnel and equipment from unsafe operating scenarios and potential turbine damage.

•(CBI-6) Afton HP Attemperator Block and Control Valve Replacement

Prevents excessive steam temperatures that could damage critical turbine components and create elevated operational and equipment safety risks.

•(CBI-9) Afton Steam Seal Dump Valve

Controls excess steam seal pressure during startup and shutdown operations, helping prevent bearing damage, seal failures, and unsafe operating conditions.

•(CBI-10) Afton CT Exhaust Expansion Joint

Prevents hot exhaust gas leakage and structural damage that could expose personnel and plant equipment to elevated thermal and mechanical hazards.

Technology Advancements

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| | 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: 70717528 Afton Outage Plant Capital 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **70717528** **Afton Outage Plant Capital 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 70717528 Afton Outage Plant Capital 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 | - | - | - | - | - | - | - | - |
| 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: 70717528 Afton Outage Plant Capital 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 6,126,156 | - | - | - | - | - | 6,126,156 |
| 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 | 251,172 | - | - | - | - | - | 251,172 |
| 926: A&G Loads | 215,028 | - | - | - | - | - | 215,028 |
| 928: AFUDC Debt | 6,129 | - | - | - | - | - | 6,129 |
| 929: AFUDC Equity | 9,669 | - | - | - | - | - | 9,669 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,634,463) | - | - | - | - | - | (5,634,463) |
| 825: Closing Cost of Removal | (973,691) | - | - | - | - | - | (973,691) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 70718026 AFT Gas Turbine Major

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information**

County % Dona Ana 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2028

Description

This project performs the scheduled major inspection and overhaul of the Afton 7FA gas turbine. This work is required once the turbine reaches the manufacturer's prescribed operating interval based on factored starts and operating hours. The outage includes complete disassembly and inspection of the gas turbine from the compressor inlet through the exhaust section, including combustion, hot gas path, rotor, bearings, casings, stationary blading, and auxiliary systems. Major capital components including nozzles, buckets, shrouds, transitions, liners, combustion caps, and sleeves will be replaced to restore the turbine to original design operating condition and support continued long-term operation.

## Project No: 70718026 AFT Gas Turbine Major

Project Need Justification

Gas turbine major inspections are a manufacturer-recommended lifecycle maintenance requirement designed to address normal wear, thermal fatigue, material degradation, and component deterioration associated with high-temperature operation. The Afton gas turbine is expected to reach its prescribed maintenance interval in 2028, requiring a complete flange-to-flange inspection and replacement of critical combustion and hot gas path components. Deferring this work would increase the likelihood of forced outages, equipment failures, efficiency losses, and costly secondary damage to major turbine components. Completion of the overhaul is necessary to maintain equipment reliability, preserve generating capability, and ensure continued safe operation of the unit.

**Project No:** **70718026** **AFT Gas Turbine Major**

Project Alternatives

The only alternative is to do nothing. This is not the preferred option as the steam turbine has been operating past its recommended design life and if this maintenance is not performed proactively, components could degrade to the point of failure. Part failures inside turbines are often catastrophic, and can destroy the entire asset.

## Project No: 70718026 AFT Gas Turbine Major

| | |
|---|---|
| Project Estimate Approach | The project estimate is based on pricing and scope provisions contained within the existing GE Vernova Long-Term Service Agreement (LTSA) for the Afton 7FA gas turbine. The estimate includes OEM-specified replacement parts, engineering services, outage execution support, specialty labor, and associated maintenance activities required for the scheduled major inspection. Cost assumptions were developed using contractual LTSA pricing, historical outage performance, known outage scope requirements, and anticipated support services necessary to complete the manufacturer-recommended major overhaul and maintain long-term asset reliability. |

**Project No:** **70718026** **AFT Gas Turbine Major**

| | |
|---|---|
| Customer Benefit | Customers benefit from improved generating unit reliability, availability, and performance. The overhaul restores critical turbine systems and replaces life-limited components before failure, reducing the risk of unplanned outages and extending the useful life of the generating asset. Maintaining the gas turbine in accordance with manufacturer maintenance requirements ensures the facility remains capable of providing reliable energy and capacity to support customer demand and grid reliability. |

## Project No: 70718026 AFT Gas Turbine Major

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | A utility must adhere to NERC Reliability standards that govern operations and planning activities on a Combustion Turbine Generating Station. The NERC standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of protection systems to prevent mis operation or loss of generation. The Afton Gas Turbine Major project helps to meet the compliance and reliability required within the PRC-005. |
| Customer Delivery | The project maintains long-term generation availability and capacity by restoring equipment performance and ensuring the turbine remains available to meet customer energy needs. Reliable operation of the Afton gas turbine supports electric system reliability, resource adequacy, and dependable service during periods of peak demand. |
| Energy Transition | |

**Project No:** **70718026** **AFT Gas Turbine Major**

General Services

Reliability & Resiliency

The major overhaul restores the gas turbine to a reliable operating condition by replacing life-limited combustion and hot gas path components, inspecting critical rotating and stationary hardware, and correcting wear associated with normal turbine operation. The project reduces the risk of forced outages, equipment failures, and performance degradation while extending the useful life of a critical generation asset.

Safety & Security

Technology Advancements

## Project No: 70718026 AFT Gas Turbine Major

| | 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: 70718026 AFT Gas Turbine Major

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 |
| 350: Material Issues-Major | - | 2,000,000 | - | - | - | - | - |
| 370: Outside Services | - | 13,467 | 13,467 | 13,467 | 13,467 | 13,467 | 13,467 |
| 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 | - | 116 | 116 | 116 | 116 | 116 | 116 |
| 914: Pension and Benefits | - | 502 | 502 | 502 | 502 | 502 | 502 |
| 915: Injuries and Damages | - | 135 | 135 | 135 | 135 | 135 | 135 |
| 921: Stores Load | - | 5,360 | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 82,651 | 651 | 651 | 651 | 651 | 651 |
| 926: A&G Loads | - | 75,568 | 568 | 568 | 568 | 568 | 568 |
| 928: AFUDC Debt | - | 2,067 | 4,160 | 4,215 | 4,269 | 4,324 | 4,379 |
| 929: AFUDC Equity | - | 2,796 | 5,628 | 5,702 | 5,776 | 5,850 | 5,924 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 2,184,329 | 26,895 | 27,023 | 27,151 | 27,280 | 27,410 |

## Project No: 70718026 AFT Gas Turbine Major

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | 1,667 | 1,667 | 1,667 | 15,003 |
| 350: Material Issues-Major | - | - | - | 2,000,000 |
| 370: Outside Services | 13,467 | 13,467 | 13,467 | 121,203 |
| 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 | 116 | 116 | 116 | 1,047 |
| 914: Pension and Benefits | 502 | 502 | 502 | 4,520 |
| 915: Injuries and Damages | 135 | 135 | 135 | 1,214 |
| 921: Stores Load | - | - | - | 5,360 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 651 | 651 | 651 | 87,863 |
| 926: A&G Loads | 568 | 568 | 568 | 80,108 |
| 928: AFUDC Debt | 4,434 | 4,490 | 4,546 | 36,885 |
| 929: AFUDC Equity | 5,999 | 6,074 | 6,150 | 49,899 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 27,540 | 27,671 | 27,802 | 2,403,101 |

## Project No: 70718026 AFT Gas Turbine Major

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | 15,003 | 1,667 | 1,667 | 1,667 | 20,004 | - | - | - |
| 350: Material Issues-Major | 2,000,000 | - | - | - | 2,000,000 | - | - | - |
| 370: Outside Services | 121,203 | 13,467 | 13,467 | 13,467 | 161,604 | - | - | - |
| 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 | 1,047 | 116 | 116 | 116 | 1,396 | - | - | - |
| 914: Pension and Benefits | 4,520 | 502 | 502 | 502 | 6,027 | - | - | - |
| 915: Injuries and Damages | 1,214 | 135 | 135 | 135 | 1,618 | - | - | - |
| 921: Stores Load | 5,360 | - | - | - | 5,360 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 87,863 | 651 | 651 | 651 | 89,817 | - | - | - |
| 926: A&G Loads | 80,108 | 568 | 568 | 568 | 81,810 | - | - | - |
| 928: AFUDC Debt | 36,885 | 4,602 | 4,659 | 4,716 | 50,861 | - | - | - |
| 929: AFUDC Equity | 49,899 | 6,226 | 6,303 | 6,380 | 68,807 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (2,137,605) | (2,137,605) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (349,700) | (349,700) | - | - | - |
| Project Net | 2,403,101 | 27,935 | 28,068 | (2,459,104) | - | - | - | - |

## Project No: 70718026 AFT Gas Turbine Major

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | 20,004 |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,000,000 |
| 370: Outside Services | - | - | - | - | - | - | 161,604 |
| 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 | - | - | - | - | - | - | 1,396 |
| 914: Pension and Benefits | - | - | - | - | - | - | 6,027 |
| 915: Injuries and Damages | - | - | - | - | - | - | 1,618 |
| 921: Stores Load | - | - | - | - | - | - | 5,360 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 89,817 |
| 926: A&G Loads | - | - | - | - | - | - | 81,810 |
| 928: AFUDC Debt | - | - | - | - | - | - | 50,861 |
| 929: AFUDC Equity | - | - | - | - | - | - | 68,807 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,137,605) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (349,700) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316127 Reeves U3 Boiler Economizers 2028

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 4/30/2028

Description

(CBI-1) Capital Budget Item: The Reeves Unit 3 Boiler Lower and Upper Economizer Replacement is a multi-year capital reconstruction project scheduled for 2027-2028 to replace aging economizer tube bundles that have reached the end of their expected service life. The upper economizer tubes are experiencing overheating caused by deteriorated boiler refractory, while both the upper and lower economizer sections exhibit internal stress corrosion fatigue cracking that has resulted in increasing tube leak failures. These economizer bundles were last replaced in 2008 and will be approximately 20 years old by 2028, placing them at a heightened risk of failure. The project will replace the full upper and lower economizer tubing assemblies to restore boiler reliability, improve personnel safety, and ensure continued operation of Reeves Unit 3. Alternative options were evaluated, including replacing only small sections of tubing; however, partial repairs would not provide a long-term solution and would ultimately be less cost-effective than full replacement.

## Project No: 71316127 Reeves U3 Boiler Economizers 2028

Project Need Justification

(CBI-1) This project is needed to address significant safety and reliability concerns associated with deteriorating economizer tubing. The existing tubes have experienced stress corrosion cracking and fatigue-related degradation that increases the likelihood of tube failures and steam leaks. As the tubing continues to age beyond its typical 15-20 year life expectancy, the frequency and severity of failures are expected to increase. Repeated tube leaks can lead to forced outages, increased maintenance costs, reduced generation availability, and unsafe working conditions for plant personnel. Replacing the upper and lower economizer tube bundles during the planned capital reconstruction period provides the most cost-effective approach to restoring long-term boiler integrity and ensuring reliable operation of Reeves Unit 3.

## Project No: 71316127 Reeves U3 Boiler Economizers 2028

Project Alternatives

One alternative to this project is to do nothing. If this approach is taken, the risk of economizer tube failures will continue to increase as the equipment ages and degradation mechanisms progress. Tube leaks could result in unplanned unit outages, reduced generation reliability, and extended repair durations that negatively impact plant availability. Continued deterioration also creates a serious personnel safety risk, as high-pressure steam leaks can penetrate boiler lagging and discharge outside the boiler enclosure, potentially exposing employees to severe injury. Additionally, reactive maintenance efforts would become more frequent and costly, increasing operational expenses while failing to address the root cause of the problem. Deferring replacement could ultimately result in a major equipment failure requiring emergency repairs and longer outage durations.

Another alternative evaluated was replacing only small sections of tubing. However, partial repairs would not provide a long-term solution, would ultimately be less cost-effective than a full replacement, and would not adequately address ongoing safety concerns for PNM personnel.

**Project No:** **71316127 Reeves U3 Boiler Economizers 2028**

| | |
|---|---|
| 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:** **71316127 Reeves U3 Boiler Economizers 2028**

Customer Benefit

(CBI-1) Replacing the Reeves Unit 3 upper and lower economizer tubing improves the reliability and availability of a critical generating asset that supports customer electric service needs. By reducing the likelihood of forced outages and unplanned maintenance events, the project helps ensure dependable generation capacity is available during periods of high customer demand. The replacement also lowers the risk of costly emergency repairs and extended outages that can increase operating costs over time. Investing in planned replacement rather than relying on reactive repairs supports more efficient asset management, enhances system resiliency, and helps provide customers with reliable and cost-effective electric service.

**Project No:** **71316127 Reeves U3 Boiler Economizers 2028**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **71316127 Reeves U3 Boiler Economizers 2028**

General Services

Reliability & Resiliency

The primary value driver is Reliability & Resiliency because the project directly addresses aging boiler components that pose a significant risk to unit availability. Replacing the economizer tubing restores boiler reliability, reduces forced outage risks, improves equipment performance, and ensures Reeves Unit 3 remains available to support generation requirements and system reliability.

Safety & Security

The secondary value driver is Safety & Security because the project mitigates the risk of high-pressure steam leaks caused by tube failures. Replacing degraded economizer tubing significantly reduces the potential for personnel exposure to hazardous steam releases and improves the overall safety of boiler operations and maintenance activities.

Technology Advancements

## Project No: 71316127 Reeves U3 Boiler Economizers 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: 71316127 Reeves U3 Boiler Economizers 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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: 71316127 Reeves U3 Boiler Economizers 2028

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | 1,250,000 | 1,250,000 |
| 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 | - | - | 51,250 | 51,250 |
| 926: A&G Loads | - | - | 46,875 | 46,875 |
| 928: AFUDC Debt | - | - | 1,310 | 1,310 |
| 929: AFUDC Equity | - | - | 1,773 | 1,773 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | (1,180,805) | (1,180,805) |
| 825: Closing Cost of Removal | - | - | (170,403) | (170,403) |
| Project Net | - | - | - | - |

## Project No: 71316127 Reeves U3 Boiler Economizers 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 | 1,250,000 | - | - | - | 1,250,000 | - | - | - |
| 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 | 51,250 | - | - | - | 51,250 | - | - | - |
| 926: A&G Loads | 46,875 | - | - | - | 46,875 | - | - | - |
| 928: AFUDC Debt | 1,310 | - | - | - | 1,310 | - | - | - |
| 929: AFUDC Equity | 1,773 | - | - | - | 1,773 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,180,805) | - | - | - | (1,180,805) | - | - | - |
| 825: Closing Cost of Removal | (170,403) | - | - | - | (170,403) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 71316127 Reeves U3 Boiler Economizers 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 3,850,000 | - | - | - | - | - | 5,100,000 |
| 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 | 157,850 | - | - | - | - | - | 209,100 |
| 926: A&G Loads | 135,135 | - | - | - | - | - | 182,010 |
| 928: AFUDC Debt | 3,948 | - | - | - | - | - | 5,258 |
| 929: AFUDC Equity | 6,228 | - | - | - | - | - | 8,001 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,629,488) | - | - | - | - | - | (4,810,293) |
| 825: Closing Cost of Removal | (523,673) | - | - | - | - | - | (694,076) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316426 Reeves Non Outage Plant Cap 2026

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 7/31/2027

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here is (1) - (CBI) Capital Budget Item Capital projects that is listed within Reeves Non- Outage 2026 Blanket.

(CBI-1) This project is for the Small Capital Project Blanket for Reeves. The project funds the emergent replacement or repair of individual pieces of equipment that become damaged, fail or reach the end of their useful. The equipment covered includes, but is not limited to, small motors and small pumps, and other reasonably identified like-in-kind capital replacements. Once such a replacement is identified, it will be processed through this project.

## Project No: 71316426 Reeves Non Outage Plant Cap 2026

Project Need Justification

(CBI-1) PNM routinely inspects equipment to ensure it is in proper working order. If it is not, an evaluation is done to determine how best to address the issue (e.g., repair, replace, etc.). This project ensures the proper replacement of equipment to ensure the plant continues to operate in a safe and reliable manner.

**Project No:** **71316426** **Reeves Non Outage Plant Cap 2026**

| | |
|---|---|
| Project Alternatives | The only alternative is do nothing. This is not a viable approach as replacing equipment that is damaged or at the end of useful life is needed to reduce the risk of equipment failure, which could result in damage to other equipment, create a safety risk, and could impact the ability to operate the asset. |

**Project No:** **71316426** **Reeves Non Outage Plant Cap 2026**

| | |
|---|---|
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |

**Project No:** **71316426** **Reeves Non Outage Plant Cap 2026**

| | |
|---|---|
| Customer Benefit | Small capital projects support the safe, reliable, environmentally compliant, and cost-effective operation of PNM's power generation assets. These projects address equipment conditions and operational needs identified throughout the year that could potentially affect safety and reliability. |

**Project No:** **71316426 Reeves Non Outage Plant Cap 2026**

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | |
| Customer Delivery | Maintaining dependable electric service to customers by avoiding generation interruptions. |
| Energy Transition | |

**Project No:** **71316426** **Reeves Non Outage Plant Cap 2026**

General Services

Reliability & Resiliency

Completing equipment replacement prior to failure allows PNM to reduce the risk of outages, maximizing the reliability of its operations.

Safety & Security

Technology Advancements

## Project No: 71316426 Reeves Non Outage Plant Cap 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 17,796 | - | - | - | - | - | - | 17,796 |
| 370: Outside Services | - | 129,035 | - | - | - | - | - | 129,035 |
| 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 | - | 5,290 | - | - | - | - | - | 5,290 |
| 926: A&G Loads | 890 | 6,710 | - | - | - | - | - | 7,600 |
| 928: AFUDC Debt | 26 | 198 | - | - | - | - | - | 224 |
| 929: AFUDC Equity | 20 | 211 | - | - | - | - | - | 231 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (142,349) | - | - | - | - | - | (142,349) |
| 825: Closing Cost of Removal | - | (17,827) | - | - | - | - | - | (17,827) |
| Project Net | 18,732 | (18,732) | - | - | - | - | - | - |

## Project No: 71316426 Reeves Non Outage Plant Cap 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 17,796 | - | - | - | - | - | - |
| 370: Outside Services | 129,035 | - | - | - | - | - | - |
| 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 | 5,290 | - | - | - | - | - | - |
| 926: A&G Loads | 7,600 | - | - | - | - | - | - |
| 928: AFUDC Debt | 224 | - | - | - | - | - | - |
| 929: AFUDC Equity | 231 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (142,349) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (17,827) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **71316426** **Reeves Non Outage Plant Cap 2026**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 17,796 |
| 370: Outside Services | - | - | - | 129,035 |
| 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 | - | - | - | 5,290 |
| 926: A&G Loads | - | - | - | 7,600 |
| 928: AFUDC Debt | - | - | - | 224 |
| 929: AFUDC Equity | - | - | - | 231 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (142,349) |
| 825: Closing Cost of Removal | - | - | - | (17,827) |
| Project Net | - | - | - | - |

## Project No: 71316426 Reeves Non Outage Plant Cap 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 17,796 | - | - | - | 17,796 | - | - | - |
| 370: Outside Services | 129,035 | - | - | - | 129,035 | - | - | - |
| 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 | 5,290 | - | - | - | 5,290 | - | - | - |
| 926: A&G Loads | 7,600 | - | - | - | 7,600 | - | - | - |
| 928: AFUDC Debt | 224 | - | - | - | 224 | - | - | - |
| 929: AFUDC Equity | 231 | - | - | - | 231 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (142,349) | - | - | - | (142,349) | - | - | - |
| 825: Closing Cost of Removal | (17,827) | - | - | - | (17,827) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 71316426 Reeves Non Outage Plant Cap 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 17,796 |
| 370: Outside Services | - | - | - | - | - | - | 129,035 |
| 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 | - | - | - | - | - | - | 5,290 |
| 926: A&G Loads | - | - | - | - | - | - | 7,600 |
| 928: AFUDC Debt | - | - | - | - | - | - | 224 |
| 929: AFUDC Equity | - | - | - | - | - | - | 231 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (142,349) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (17,827) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316427 Reeves Non Outage Plant Cap 2027

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here are (2) - (CBI) Capital Budget Item Capital projects that are listed within Reeves Non- Outage 2027 Blanket.
(CBI-1) The Reeves Non-Outage Small Capital Project is an annual capital blanket project established to fund emergent capital replacements and asset renewal activities that arise outside of planned outage windows. The project provides funding flexibility for replacement of qualifying plant assets such as motors, pumps, instrumentation, electrical components, and other equipment that meet capitalization criteria under the Retirement Unit Catalog. Individual projects are identified and vetted throughout the year, and work scopes, capital work orders, and procurement activities are developed as needs arise to maintain reliable plant operation.
(CBI-2) Reeves Asset Strategy Optimization software upgrade: This project will upgrade the Reeves Asset Optimization Software platform that was originally implemented in 2021. The upgrade includes software enhancements, system improvements, data management updates, and integration capabilities necessary to improve functionality, usability, and long-term supportability. The upgraded platform (IFS) will better support asset health monitoring, equipment reliability analysis, maintenance planning, and integration with the company's new enterprise asset management system.

## Project No: 71316427 Reeves Non Outage Plant Cap 2027

Project Need Justification

(CBI-1) Reeves Small Capital project: As a peaking generation facility, Reeves Plant must maintain a high level of readiness and availability to respond to system demands. Emergent equipment degradation or failure can occur throughout the year and often cannot wait until a planned outage to be addressed. Establishing a capital blanket project allows the plant to promptly replace aging or failed assets that have reached the end of their useful life before they create operational constraints. This proactive funding mechanism supports timely asset renewal, reduces equipment reliability concerns, and ensures critical plant systems remain capable of supporting generation requirements.
(CBI-2) Reeves Asset strategy optimization software upgrade: The current Asset Optimization Software has not been substantially upgraded since its initial implementation and is experiencing significant functionality limitations that reduce its effectiveness as an asset management tool. Several features no longer operate as intended, limiting the organization's ability to monitor asset health, evaluate reliability trends, and make data-driven maintenance decisions. Upgrading the software is necessary to restore full functionality, improve data quality, maintain vendor support, and facilitate integration with the new platform, which will serve as the company's primary asset management system.

## Project No: 71316427 Reeves Non Outage Plant Cap 2027

Project Alternatives

(CBI-1) Without funding for emergent capital replacements, deteriorated equipment may remain in service beyond its reliable operating life, increasing the likelihood of equipment failure, unit derates, or forced outages. Delays in replacing critical assets can result in extended equipment downtime, increased maintenance costs, unplanned corrective repairs, and reduced generation availability during periods of customer demand. The inability to address emerging asset health concerns in a timely manner could negatively impact plant reliability and operational performance.
(CBI-2) Failure to upgrade the software will result in continued degradation of system functionality and may create challenges in leveraging asset health information across the organization. Limited software performance and poor integration capabilities could reduce visibility into equipment condition, hinder proactive maintenance efforts, and diminish the value of asset reliability data. As the company transitions to the IFS platform, outdated software may also increase the risk of data accessibility issues, reduced operational efficiency, and inconsistent asset management practices across generating facilities.

## Project No: 71316427 Reeves Non Outage Plant Cap 2027

| | |
|---|---|
| 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: 71316427 Reeves Non Outage Plant Cap 2027

Customer Benefit

Customers benefit from improved generation reliability and availability through the timely replacement of aging and deteriorated plant assets. Proactively addressing emergent capital needs reduces the risk of forced outages and equipment failures that could affect system reliability. The project also helps minimize emergency repair costs, which are typically more expensive than planned asset replacements, supporting prudent stewardship of utility resources and helping maintain dependable electric service for customers.

Enhanced asset monitoring and analytics enable earlier identification of equipment issues, allowing maintenance activities to be planned before failures occur. Improved integration with enterprise asset management systems supports better maintenance decision-making, reduced equipment downtime, and more efficient utilization of maintenance resources.

**Project No:** **71316427 Reeves Non Outage Plant Cap 2027**

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | |
| Customer Delivery | (CBI-1) Maintaining dependable electric service to customers by avoiding generation interruptions.<br>(CBI-2) Improved customer service through more reliable generation and more efficient asset management. |
| Energy Transition | |

**Project No:** **71316427** **Reeves Non Outage Plant Cap 2027**

General Services

Reliability & Resiliency

(CBI-1) The primary purpose is to address emergent equipment issues that could cause a unit derate or forced outage. The project directly improves generating unit availability and operational reliability.
(CBI-2) The upgrade improves asset health monitoring, maintenance planning, and reliability decision-making. Better identification of degrading equipment helps prevent failures and improve plant availability.

Safety & Security

Technology Advancements

## Project No: 71316427 Reeves Non Outage Plant Cap 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: 71316427 Reeves Non Outage Plant Cap 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 854,933 | - | - | - |
| 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 | - | - | - | 35,052 | - | - | - |
| 926: A&G Loads | - | - | - | 32,060 | - | - | - |
| 928: AFUDC Debt | - | - | - | 896 | - | - | - |
| 929: AFUDC Equity | - | - | - | 1,212 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (807,607) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (116,547) | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **71316427** **Reeves Non Outage Plant Cap 2027**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 854,933 |
| 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 | - | - | - | 35,052 |
| 926: A&G Loads | - | - | - | 32,060 |
| 928: AFUDC Debt | - | - | - | 896 |
| 929: AFUDC Equity | - | - | - | 1,212 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (807,607) |
| 825: Closing Cost of Removal | - | - | - | (116,547) |
| Project Net | - | - | - | - |

## Project No: 71316427 Reeves Non Outage Plant Cap 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 | 854,933 | - | - | - | 854,933 | - | - | - |
| 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 | 35,052 | - | - | - | 35,052 | - | - | - |
| 926: A&G Loads | 32,060 | - | - | - | 32,060 | - | - | - |
| 928: AFUDC Debt | 896 | - | - | - | 896 | - | - | - |
| 929: AFUDC Equity | 1,212 | - | - | - | 1,212 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (807,607) | - | - | - | (807,607) | - | - | - |
| 825: Closing Cost of Removal | (116,547) | - | - | - | (116,547) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 71316427 Reeves Non Outage Plant Cap 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 854,933 |
| 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 | - | - | - | - | - | - | 35,052 |
| 926: A&G Loads | - | - | - | - | - | - | 32,060 |
| 928: AFUDC Debt | - | - | - | - | - | - | 896 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,212 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (807,607) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (116,547) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316428 Reeves Non Outage Plant Cap 2028

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2028

Estimated Completion Date 12/31/2028

Description

(CBI-1) The Reeves Small Capital 2028 Project is an annual capital blanket project established to address emergent equipment replacement and asset renewal needs that arise outside of planned outage schedules. The project provides funding for qualifying capital replacements, including motors, pumps, electrical equipment, instrumentation, and other plant assets that meet capitalization criteria under the Retirement Unit Catalog. Individual projects are identified throughout the year through asset condition assessments, equipment failures, and operational needs, with each project being evaluated, scoped, and executed through the capital project management process.
(CBI-2) The Reeves Operations Simulator project will implement a high-fidelity simulation environment that accurately replicates plant operating systems, equipment responses, and operational workflows. The simulator will provide operators and plant personnel with a realistic training platform for normal operations, startup and shutdown procedures, abnormal operating conditions, and emergency response scenarios. The system will allow employees to develop and maintain critical operating skills without affecting live plant operations or generation assets.

## Project No: 71316428 Reeves Non Outage Plant Cap 2028

Project Need Justification

(CBI-1) The Reeves Generating Station relies on numerous critical plant systems that are subject to aging, wear, and unexpected degradation during normal operations. Equipment issues can emerge at any time and may require immediate replacement to maintain reliable unit operation. This blanket project provides the flexibility necessary to proactively address asset health concerns and replace capital assets before they result in significant operational impacts. Timely replacement of deteriorating equipment helps maintain plant reliability, reduces corrective maintenance requirements, and supports the facility's ability to meet generation demands.

(CBI-2) As generating facilities become increasingly complex, effective operator training is critical to maintaining safe, reliable, and efficient plant operation. Traditional training methods do not always provide opportunities for personnel to experience rare operating conditions, equipment failures, or emergency scenarios in a controlled environment. The operations simulator enables operators to gain practical experience, improve decision-making skills, and develop proficiency in responding to complex plant events. The simulator also supports knowledge transfer, workforce development, and preparation of new operators as experienced personnel retire or transition roles.

## Project No: 71316428 Reeves Non Outage Plant Cap 2028

Project Alternatives

(CBI-1) Without funding to address emergent capital replacement needs, aging equipment may remain in service despite declining condition and reliability. Equipment failures could result in unit derates, forced outages, increased maintenance costs, and reduced generating capacity. Delaying replacement of critical plant assets increases the likelihood of unplanned operational disruptions and may require more costly emergency repairs. Continued operation of degraded equipment could negatively impact plant availability and reduce the facility's ability to provide reliable generation when needed by customers.
(CBI-2) Without a simulator-based training platform, operators will have fewer opportunities to practice complex operating scenarios and emergency response activities. This may increase the risk of operator errors, slower response times during abnormal plant events, and inconsistent operational practices. Reliance solely on classroom instruction and live plant experience may limit workforce readiness and increase the potential for operational mistakes that could impact plant reliability, equipment performance, or personnel safety. Over time, the absence of advanced training tools could contribute to reduced operational effectiveness and increased operational risk.

## Project No: 71316428 Reeves Non Outage Plant Cap 2028

| | |
|---|---|
| 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: 71316428 Reeves Non Outage Plant Cap 2028

Customer Benefit

(CBI-1) Customers benefit from improved reliability and availability of generation resources through timely replacement of aging and deteriorating plant equipment. Proactive asset renewal reduces the risk of forced outages and unexpected equipment failures that could impact system reliability. By addressing equipment issues before catastrophic failures occur, the project helps reduce long-term maintenance costs, improve generating unit performance, and support the delivery of dependable electric service to customers.
(CBI-2) Customers benefit from a more highly skilled and prepared operations workforce capable of safely and efficiently operating generation assets. Enhanced training improves operator competency, reduces the likelihood of operational errors, and supports rapid response to abnormal plant conditions. Improved workforce preparedness helps maintain generation reliability, minimize outage risks, and improve overall plant performance, contributing to dependable electric service and prudent management of utility resources.

## Project No: 71316428 Reeves Non Outage Plant Cap 2028

| | |
|---|---|
| Primary Value Driver | Safety & Security |
| Compliance | |
| Customer Delivery | Improved generation reliability helps ensure continued service to customers and reduces the likelihood of service disruptions. |
| Energy Transition | |

**Project No:** **71316428** **Reeves Non Outage Plant Cap 2028**

General Services

Reliability & Resiliency

The primary objective of this project is to prevent derates and forced outages by replacing aging equipment before failures occur. Maintaining reliable generation availability directly supports system resiliency. Improved operator proficiency directly supports reliable unit operation, reduces operational errors, and enhances the plant's ability to respond effectively to abnormal conditions and system events.

Safety & Security

The simulator's primary purpose is to provide a safe training environment where personnel can practice operational and emergency response scenarios without risk to employees, equipment, or plant operations.

Technology Advancements

## Project No: 71316428 Reeves Non Outage Plant Cap 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: 71316428 Reeves Non Outage Plant Cap 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **71316428** **Reeves Non Outage Plant Cap 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 71316428 Reeves Non Outage Plant Cap 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 | - | - | - | - | - | - | - | 1,231,055 |
| 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 | - | - | - | - | - | - | - | 50,473 |
| 926: A&G Loads | - | - | - | - | - | - | - | 43,210 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | 1,262 |
| 929: AFUDC Equity | - | - | - | - | - | - | - | 1,992 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (1,160,545) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | (167,447) |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 71316428 Reeves Non Outage Plant Cap 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,231,055 |
| 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 | - | - | - | - | - | - | 50,473 |
| 926: A&G Loads | - | - | - | - | - | - | 43,210 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,262 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,992 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,160,545) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (167,447) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316526 Reeves Outage Plant Capital 2026

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2027

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here are (4) - (CBI) Capital Budget Item Capital projects that are listed within Reeves Outage 2026 Blanket.

(CBI-1) Reeves U1 Forced Draft Fan Bearings: This project will replace the existing Unit 1 Forced Draft (FD) Fan bearings with a redesigned bearing configuration that matches the current shaft journal dimensions. The original bearing design is obsolete and replacement bearings are no longer manufactured. The project includes engineering measurements of the existing shaft journals, fabrication of a new bearing design, installation, alignment, and establishment of a sustainable replacement bearing supply for future maintenance activities. The FD Fan is a critical component that supplies combustion air required for boiler operation and steam generation.
(CBI-2) Reeves Unit 2 Forced Draft Fan Bearings: This project will replace the obsolete Unit 2 FD Fan bearings with a newly engineered bearing arrangement designed to fit the existing shaft journal configuration. The project includes verification of bearing fit dimensions, procurement of redesigned bearings, installation, alignment, and development of a long-term replacement strategy to ensure future parts availability. The FD Fan is required to provide combustion air necessary for boiler operation and steam production.
(CBI-3) Reeves Unit 3 Forced Draft Bearings, pedestal, and rotor: This project will replace the Unit 3 FD Fan bearings with a redesigned bearing system and install a new FD Fan rotor. The existing bearing configuration has become obsolete and requires engineering redesign to establish a maintainable solution. In addition, the rotor replacement will restore mechanical integrity and ensure compatibility with the new bearing arrangement. Together, these improvements will renew a critical combustion air system necessary for boiler operation and steam generation.
(CBI-4) Reeves Unit 3 G60 Relay replacement This project will replace the existing Unit 3 Generator (GE) General Electric vendor - G60 protection relay. The relay has been in service for approximately ten years and has recently required frequent maintenance intervention to remain operational. The project includes removal of the existing relay, installation of a new protection platform, testing, commissioning, and integration into the generator protection system to ensure reliable operation of critical protective functions. The G60 relay provides protection against generator and system faults and is essential for safe generator operation.

## Project No: 71316526 Reeves Outage Plant Capital 2026

Project Need Justification

(CBI-1&2) The current bearing design has reached an obsolescence point where direct replacement parts are no longer available from manufacturers. Continued operation with unsupported components increases the risk of extended outages due to the inability to procure replacement parts following a failure. Installing a redesigned bearing system ensures long-term maintainability, improves equipment reliability, and provides a standardized solution that can be supported for the remaining life of the unit.
(CBI-3) Unit 3 requires both bearing redesign and rotor replacement to address equipment aging, component obsolescence, and long-term reliability concerns. The FD Fan is a critical single-point component supplying combustion air to the boiler. Replacement of the rotor and bearings provides a sustainable maintenance strategy while reducing vibration-related issues, improving equipment performance, and extending asset life. The preferred solution establishes long-term reliability through newly designed bearing liners and updated rotating equipment.
(CBI-4) The existing relay has become increasingly unreliable and requires continual maintenance attention. Protective relays are critical assets responsible for detecting abnormal operating conditions and initiating protective actions to prevent equipment damage. Replacing the aging relay reduces operational risk, improves protection system dependability, and ensures continued compliance with industry reliability standards and utility protection practices.

## Project No: 71316526 Reeves Outage Plant Capital 2026

Project Alternatives

(CBI-1) Failure to replace the obsolete bearings exposes Unit 1 to an increased likelihood of forced outages caused by bearing degradation, excessive vibration, overheating, or catastrophic bearing failure. Since the FD Fan supplies combustion air to the boiler, a bearing failure could result in an immediate unit shutdown and extended outage duration while engineering and procurement efforts are undertaken to develop a replacement solution. Reliability risks and maintenance costs will continue to increase over time.
(CBI-2) If the project is deferred, bearing failure could lead to excessive vibration, equipment damage, and unplanned unit outages. Because adequate forced draft air is essential for combustion, FD Fan failure would prevent normal boiler operation and could remove the generating unit from service. The inability to readily obtain replacement bearings would likely increase outage duration and repair costs.
(CBI-23 Deferring this project significantly increases the risk of bearing or rotor failure, resulting in loss of forced draft air and a forced boiler shutdown. A major mechanical failure could damage additional equipment, increase outage duration, and create elevated safety risks for maintenance personnel during emergency repairs. Extended outages would reduce unit availability and system operating flexibility.
(CBI-4) Failure to replace the relay increases the likelihood of protection system mis-operations, nuisance trips, or failure to trip during fault conditions. Such failures could result in significant generator damage, extended outages, increased repair costs, and potential impacts to bulk electric system reliability. As maintenance requirements continue to increase, the risk of an unrecoverable relay failure grows substantially.

**Project No:** **71316526** **Reeves Outage Plant Capital 2026**

| | |
|---|---|
| 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:** **71316526** **Reeves Outage Plant Capital 2026**

Customer Benefit

((CBI-1) Replacing the FD Fan bearings improves unit availability and reduces the risk of unplanned generation outages. Maintaining reliable operation of Reeves Unit 1 supports system reliability and generation readiness during periods of high customer demand. Customers benefit through improved service reliability and reduced exposure to emergency repair costs associated with forced outages.
(CBI-2) Customers benefit from improved generation reliability and reduced likelihood of forced outages that can negatively affect system performance and operational flexibility. The project supports continued dependable operation of Reeves Unit 2 and helps ensure generation capacity remains available when needed.
(CBI-3) The project improves generating unit reliability, increases availability of dispatchable generation resources, and reduces the risk of unexpected service impacts associated with forced outages. Customers benefit from a more resilient electric system and reduced long-term maintenance costs associated with aging infrastructure.
(CBI-4) Customers benefit from improved reliability of generation resources, enhanced protection of critical electrical assets, and reduced risk of prolonged outages caused by protection system failures. The project supports reliable power delivery by ensuring generator protection systems operate as intended during abnormal electrical conditions.

## Project No: 71316526 Reeves Outage Plant Capital 2026

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | This project supports compliance with utility protection practices, reliability standards, and industry best practices by ensuring critical equipment remains capable of performing its intended function. Replacement of aging or obsolete assets helps maintain dependable operation of systems that protect generation equipment, support grid reliability, and reduce the risk of non-compliance resulting from equipment failures or degraded performance. A utility must adhere to NERC Reliability standards that govern operations and planning activities on a combustion turbine generating station. The NERC standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of Protection systems to prevent mis operation or loss of generation. The four projects listed for replacement help to meet the compliance and reliability required by PRC-005. |
| Customer Delivery | This project supports reliable delivery of electric service to customers by maintaining generation resource availability and reducing the risk of unexpected unit outages. Improved equipment reliability enhances operational flexibility and helps ensure sufficient generation capacity is available to meet customer demand, particularly during peak load periods. Customers benefit through improved service reliability and reduced exposure to costs associated with emergency repairs and extended outages. |
| Energy Transition | |

**Project No:** **71316526** **Reeves Outage Plant Capital 2026**

General Services

Reliability & Resiliency

This project improves the reliability and resiliency of critical generating station equipment by addressing aging, obsolete, or deteriorated assets that are essential to unit operation. The investment reduces the likelihood of forced outages, equipment failures, and extended repair durations while maintaining the availability of dispatchable generation resources needed to support electric system reliability. By proactively replacing at-risk components with modern, supportable equipment, the project strengthens the station's ability to operate safely and reliably under normal and adverse operating conditions.

Safety & Security

This project enhances the safety and security of plant operations by replacing equipment that has become increasingly susceptible to failure and requires elevated maintenance intervention. Modernized equipment reduces the potential for hazardous operating conditions, emergency repair activities, and equipment damage that could expose personnel to increased safety risks. The project promotes a safer work environment while protecting critical generation assets.

Technology Advancements

## Project No: 71316526 Reeves Outage Plant Capital 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 75,943 | - | - | - | - | - | - | 75,943 |
| 120: Overtime-General | 1,931 | - | - | - | - | - | - | 1,931 |
| 350: Material Issues-Major | 184,943 | - | - | - | - | - | - | 184,943 |
| 370: Outside Services | 239,160 | - | - | - | - | - | - | 239,160 |
| 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 | 5,584 | - | - | - | - | - | - | 5,584 |
| 914: Pension and Benefits | 23,801 | - | - | - | - | - | - | 23,801 |
| 915: Injuries and Damages | 7,811 | - | - | - | - | - | - | 7,811 |
| 921: Stores Load | 930 | - | - | - | - | - | - | 930 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 25,099 | - | - | - | - | - | - | 25,099 |
| 928: AFUDC Debt | 1,290 | 1,400 | - | - | - | - | - | 2,690 |
| 929: AFUDC Equity | 1,015 | 1,492 | - | - | - | - | - | 2,507 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (570,398) | - | - | - | - | - | (570,398) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 567,506 | (567,506) | - | - | - | - | - | 0 |

## Project No: 71316526 Reeves Outage Plant Capital 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 75,943 | - | - | - | - | - | - |
| 120: Overtime-General | 1,931 | - | - | - | - | - | - |
| 350: Material Issues-Major | 184,943 | - | - | - | - | - | - |
| 370: Outside Services | 239,160 | - | - | - | - | - | - |
| 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 | 5,584 | - | - | - | - | - | - |
| 914: Pension and Benefits | 23,801 | - | - | - | - | - | - |
| 915: Injuries and Damages | 7,811 | - | - | - | - | - | - |
| 921: Stores Load | 930 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 25,099 | - | - | - | - | - | - |
| 928: AFUDC Debt | 2,690 | - | - | - | - | - | - |
| 929: AFUDC Equity | 2,507 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (570,398) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

**Project No:** **71316526** **Reeves Outage Plant Capital 2026**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 75,943 |
| 120: Overtime-General | - | - | - | 1,931 |
| 350: Material Issues-Major | - | - | - | 184,943 |
| 370: Outside Services | - | - | - | 239,160 |
| 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 | - | - | - | 5,584 |
| 914: Pension and Benefits | - | - | - | 23,801 |
| 915: Injuries and Damages | - | - | - | 7,811 |
| 921: Stores Load | - | - | - | 930 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 25,099 |
| 928: AFUDC Debt | - | - | - | 2,690 |
| 929: AFUDC Equity | - | - | - | 2,507 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (570,398) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | 0 |

## Project No: 71316526 Reeves Outage Plant Capital 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 75,943 | - | - | - | 75,943 | - | - | - |
| 120: Overtime-General | 1,931 | - | - | - | 1,931 | - | - | - |
| 350: Material Issues-Major | 184,943 | - | - | - | 184,943 | - | - | - |
| 370: Outside Services | 239,160 | - | - | - | 239,160 | - | - | - |
| 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 | 5,584 | - | - | - | 5,584 | - | - | - |
| 914: Pension and Benefits | 23,801 | - | - | - | 23,801 | - | - | - |
| 915: Injuries and Damages | 7,811 | - | - | - | 7,811 | - | - | - |
| 921: Stores Load | 930 | - | - | - | 930 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 25,099 | - | - | - | 25,099 | - | - | - |
| 928: AFUDC Debt | 2,690 | - | - | - | 2,690 | - | - | - |
| 929: AFUDC Equity | 2,507 | - | - | - | 2,507 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (570,398) | - | - | - | (570,398) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 71316526 Reeves Outage Plant Capital 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 75,943 |
| 120: Overtime-General | - | - | - | - | - | - | 1,931 |
| 350: Material Issues-Major | - | - | - | - | - | - | 184,943 |
| 370: Outside Services | - | - | - | - | - | - | 239,160 |
| 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 | - | - | - | - | - | - | 5,584 |
| 914: Pension and Benefits | - | - | - | - | - | - | 23,801 |
| 915: Injuries and Damages | - | - | - | - | - | - | 7,811 |
| 921: Stores Load | - | - | - | - | - | - | 930 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 25,099 |
| 928: AFUDC Debt | - | - | - | - | - | - | 2,690 |
| 929: AFUDC Equity | - | - | - | - | - | - | 2,507 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (570,398) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 71316527 Reeves Outage Plant Capital 2027

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2028

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects. There are five Capital Budget Item Capital projects that are listed within this Reeves Outage 2027 Blanket.
(CBI-1) Reeves Low & Medium Energy pipe hangers: This project will replace deficient low-energy and medium-energy pipe hangers identified through ongoing pipe hanger inspections and mechanical integrity assessments at Reeves Units 2 and 3. The scope includes engineering evaluation, procurement, replacement, adjustment, and testing of pipe support systems necessary to maintain proper piping alignment, load distribution, and structural integrity. These replacements are based on inspection findings indicating degraded or failed components that no longer perform their intended function.
(CBI-2) Reeves Hot Well Pump: This project will replace the existing Unit 1 Hot well Pump that has experienced recurring damage, high maintenance costs, and performance issues. The replacement will include procurement and installation of a new pump and associated components necessary to restore reliable condensate handling capability and improve overall plant performance.
(CBI-3) High Energy Pipe Hangers: This project will replace priority high-energy pipe hangers identified through inspections and engineering evaluations. The scope includes replacement and adjustment of critical steam and high-energy piping support components to maintain proper load distribution, thermal movement control, and pipe system integrity throughout the plant.
(CBI-4) Reeves East Well Pump and Motor replacement: This project is part of the ongoing initiative to modernize and improve the reliability of the Reeves water supply system. The scope includes replacement of the Unit 2 East Well Pump and Motor and associated equipment necessary to maintain a dependable source of raw water for plant operations.
(CBI-5) Engineering Support capital project: This project provides funding for external engineering support services necessary to successfully plan, design, execute, and close capital projects at Reeves Generating Station. Engineering resources will supplement internal staff and support project development, design reviews, technical evaluations, construction planning, procurement support, and project execution activities. The need is driven by the volume of capital work planned across the station and the limited availability of internal engineering resources.

## Project No: 71316527 Reeves Outage Plant Capital 2027

Project Need Justification

(CBI-1 & 3) Reeves Medium and High Energy Pipe hangers play a critical role in maintaining proper piping support and controlling thermal expansion throughout plant systems. Inspections have identified hanger components requiring replacement due to wear, degradation, loss of adjustment, or reduced functionality. Failure to address these deficiencies can lead to excessive piping stresses, accelerated equipment wear, vibration issues, and potential damage to connected systems. Replacing deficient hangers is necessary to maintain system reliability, extend equipment life, and support safe plant operation.
(CBI-2) The existing Hot well Pump has become a significant reliability concern and has incurred substantial repair costs due to repeated failures. The pump serves a critical role within the steam cycle, and its degraded condition has contributed to operational constraints and generation derates. Replacing the pump is necessary to restore reliability, reduce maintenance costs, and eliminate a known single-point failure affecting unit operation.
(CBI-4) Reeves East Well Pump and Motor Replacement: Raw water is essential to the operation of the Reeves Generating Station. The existing well pump and motor have reached an age and condition where reliability concerns justify replacement. Ensuring a dependable water supply is critical to maintaining generation capability and supporting plant processes. Replacing aging well infrastructure helps reduce the likelihood of water supply interruptions that could affect plant operation.
(CBI-5) The current capital program includes approximately 149 capital projects that must be developed, engineered, and executed. Existing internal resources are insufficient to support the required workload while maintaining project quality, schedule, and technical oversight expectations. Supplemental engineering support is necessary to ensure projects are properly scoped, designed, executed, and documented while maintaining consistency with corporate engineering standards and project management requirements.

## Project No: 71316527 Reeves Outage Plant Capital 2027

Project Alternatives

(CBI-1&3) Reeves Medium and High energy piping hanger projects. "Do nothing approach" If identified hanger deficiencies are not corrected, piping systems may experience increasing mechanical stress and movement during normal operations. Continued deterioration could result in piping misalignment, equipment nozzle loading, leaks, component failures, and increased maintenance costs. In severe cases, damaged pipe supports can contribute to forced outages or derates that reduce generation availability and negatively impact plant performance. There are no other alternatives and it is recommended to replace hangers identified after inspection has occurred.
(CBI-2) Reeves Hot Well Pump - "Do Nothing approach" Continued operation of the existing pump increases the likelihood of future failures, forced maintenance activities, and generation derates. Pump failure could significantly impact condensate system operation and reduce unit output or require an outage to complete repairs. Delaying replacement will likely result in higher maintenance costs, increased operational risk, and reduced generation availability. The maintenance approach is not a acceptable alternative due to obsolescence of parts that are required to ensure reliability.
(CBI-4) Reeves East Well Pump and Motor replacement: The "Do Nothing approach" is not an acceptable alternative. Failure of the existing well pump or motor could significantly reduce the plant's ability to obtain the raw water necessary for operation. Loss of water supply may result in generation derates, operational restrictions, or complete plant shutdown. The keep maintaining equipment option is also not acceptable as the emergency repairs could be costly and time-consuming while increasing the risk of extended generation impacts. Therefore it is recommended to replace the hot well water pump.
( CBI-5) Outside Engineering Support capital project: Under the "Do Nothing approach", in the spring of 2027 there will not be any capital project managers onsite to perform all of the duties of capital project development. Without additional outside engineering support, project development and execution schedules may be delayed, increasing the risk of deferred asset replacements and missed reliability improvement opportunities. Hiring additional personnel is another alternative, but that process can take 1-2 years to hire and fully train personnel. Resource limitations could lead to project bottlenecks, increased implementation risk, reduced design quality, and challenges in executing planned capital investments. Delays in capital project completion could ultimately impact plant reliability and operational performance. Therefore it is recommended to to hire outside engineering support for 2027.

## Project No: 71316527 Reeves Outage Plant Capital 2027

| | |
|---|---|
| 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:** **71316527** **Reeves Outage Plant Capital 2027**

| | |
|---|---|
| Customer Benefit | Customers benefit through improved reliability and longevity of critical plant systems. Maintaining proper piping support reduces the likelihood of equipment failures, forced outages, and costly emergency repairs. Proactive replacement of degraded hangers supports dependable generation availability and helps ensure reliable electric service while minimizing long-term maintenance costs.<br>Customers benefit from improved generating unit reliability and availability. Replacing a known problem asset reduces the likelihood of derates and outages that could impact generation capacity. The project also helps lower long-term maintenance expenditures and improves system efficiency through reliable equipment operation.<br>Customers benefit through improved plant reliability, reduced outage risk, and enhanced system integrity. Proactive replacement of critical pipe support components helps avoid costly emergency repairs and supports dependable generation service. Early intervention minimizes reliability risks and extends the life of important generation assets.<br>Customers benefit through improved reliability of a critical plant support system that directly affects generation availability. A dependable raw water supply helps ensure generation resources remain available when needed and reduces the risk of outages caused by infrastructure failures. The project also lowers the likelihood of costly emergency repairs that could increase future operating expenses.<br>Customers benefit through the successful execution of capital projects that maintain and improve generation asset reliability. Adequate engineering support helps ensure projects are completed efficiently, safely, and in accordance with technical requirements, reducing the risk of future equipment failures and operational disruptions. Strong project execution also promotes effective management of capital investments and long-term stewardship of utility assets. |

## Project No: 71316527 Reeves Outage Plant Capital 2027

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | •Supports adherence to regulatory, environmental, and reliability requirements.<br>•Addresses requirements associated with NERC, OSHA, EPA, NMED, and other governing agencies.<br>•Maintains compliance with operating permits, codes, standards, and corporate policies.<br>•Reduces the risk of violations, penalties, enforcement actions, and regulatory findings.<br>•Ensures utility assets continue to operate within established legal and regulatory requirements. |
| Customer Delivery | •Supports the delivery of reliable electric service to customers.<br>•Improves generating resource availability needed to meet customer demand.<br>•Reduces the likelihood of service disruptions resulting from generation equipment failures.<br>•Promotes cost-effective operation and maintenance of utility assets for the benefit of customers.<br>•Helps ensure customers receive dependable, affordable, and sustainable electric service. |
| Energy Transition | |

**Project No:** **71316527** **Reeves Outage Plant Capital 2027**

General Services

Reliability & Resiliency

- Maintains or improves generation asset reliability and availability.
- Reduces the likelihood of equipment failures, forced outages, and unit derates.
- Enhances the ability of the plant to reliably provide generation during periods of customer demand.
- Supports long-term operational performance and asset life extension.
- Improves system resilience by reducing operational risks and equipment vulnerabilities.

Safety & Security

- Protects employees, contractors, and the public from identified hazards.
- Reduces the risk of injuries, equipment damage, and unsafe operating conditions.
- Improves the integrity and reliability of safety-critical systems and infrastructure.
- Supports safe plant operation, maintenance, and emergency response activities.
- Enhances physical and operational security of critical utility assets.

Technology Advancements

## Project No: 71316527 Reeves Outage Plant Capital 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: 71316527 Reeves Outage Plant Capital 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 1,408,957 | - | - | - |
| 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 | - | - | - | 57,767 | - | - | - |
| 926: A&G Loads | - | - | - | 52,836 | - | - | - |
| 928: AFUDC Debt | - | - | - | 1,477 | - | - | - |
| 929: AFUDC Equity | - | - | - | 1,998 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,330,963) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (192,072) | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316527 Reeves Outage Plant Capital 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 1,408,957 |
| 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 | - | - | - | 57,767 |
| 926: A&G Loads | - | - | - | 52,836 |
| 928: AFUDC Debt | - | - | - | 1,477 |
| 929: AFUDC Equity | - | - | - | 1,998 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,330,963) |
| 825: Closing Cost of Removal | - | - | - | (192,072) |
| Project Net | - | - | - | - |

## Project No: 71316527 Reeves Outage Plant Capital 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 | 1,408,957 | - | - | - | 1,408,957 | - | - | - |
| 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 | 57,767 | - | - | - | 57,767 | - | - | - |
| 926: A&G Loads | 52,836 | - | - | - | 52,836 | - | - | - |
| 928: AFUDC Debt | 1,477 | - | - | - | 1,477 | - | - | - |
| 929: AFUDC Equity | 1,998 | - | - | - | 1,998 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,330,963) | - | - | - | (1,330,963) | - | - | - |
| 825: Closing Cost of Removal | (192,072) | - | - | - | (192,072) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 71316527 Reeves Outage Plant Capital 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,408,957 |
| 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 | - | - | - | - | - | - | 57,767 |
| 926: A&G Loads | - | - | - | - | - | - | 52,836 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,477 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,998 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,330,963) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (192,072) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316528 Reeves Outage Plant Capital 2028

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2028

Estimated Completion Date 12/31/2028

Description

Generation Capital Projects are broke out into (3) areas - Outage Blanket projects, Non-Outage Blanket Projects, and Multi-year projects.
Here are (6) - (CBI) Capital Budget Item Capital projects that are listed within Reeves Outage 2028 Blanket.

(CBI-1) Reeves Unit 2 High Energy Pipe Hanger replacement: This project will replace deficient high-energy pipe hangers identified through previous high-energy piping inspections at Reeves Unit 2. Inspection results have identified pipe supports that are no longer capable of carrying their intended loads or are in a condition that may compromise piping system integrity. The project includes engineering evaluation, procurement, installation, adjustment, and testing of replacement pipe support components necessary to maintain the reliability and structural integrity of high-energy steam piping systems.
(CBI-2) Reeves Unit 1 High Energy Pipe Hanger replacement: This project will replace deficient high-energy pipe hangers identified through prior high-energy piping inspections at Reeves Unit 1. The work will address pipe supports that have been determined to be incapable of safely carrying required loads or maintaining proper piping support conditions. Replacement activities will restore design loading parameters and improve long-term piping system reliability.
(CBI-3) Reeves Unit 1 Well Pump: This project will replace the Reeves Unit 1 well pump, which supplies raw water necessary for continued plant operation. The replacement will include procurement, installation, testing, and commissioning of a new well pump and associated equipment to improve water supply system reliability and ensure continued operational support for the generating facility.
(CBI-4) Engineering Support: This project provides funding for contracted engineering services to support the planning, design, execution, and closeout of capital projects at Reeves Generating Station. External engineering resources will supplement internal staff and support project development, design reviews, technical evaluations, construction planning, procurement, and implementation activities necessary to execute the plant's capital portfolio.
(CBI-5) (Reeves Unit 3 Circulating Water line: This project will rehabilitate the Unit 3 Circulating Water Line by installing a new internal liner to address deterioration and cracking previously identified in the existing concrete liner. The selected rehabilitation approach will minimize excavation requirements while restoring the integrity and service life of the circulating water system.
( CBI-6) Reeves Unit 3 Air preheater Cold Basket replacement: This project will replace the Unit 3 Air Preheater Cold Basket sections, which have remained in service since the original installation and have never been replaced. The air preheater captures heat from

**Project No:** **71316528** **Reeves Outage Plant Capital 2028**

boiler exhaust gas and transfers that energy to incoming combustion air, improving boiler efficiency and overall plant performance. The project includes procurement and installation of new cold basket elements to restore heat transfer capability and reliability.

## Project No: 71316528 Reeves Outage Plant Capital 2028

Project Need Justification

(CBI-1&2) High-energy piping systems operate under elevated pressure and temperature conditions and require properly functioning supports to safely manage thermal expansion, vibration, and mechanical loading. Inspection findings have identified pipe hangers that are degraded, overloaded, or otherwise unable to perform their intended function. Replacement is necessary to maintain piping system integrity, protect connected equipment from excessive stress, and ensure continued safe and reliable operation of the generating unit.

Proper pipe support is essential for the safe operation of high-energy steam systems. Inspection results have identified degraded pipe hangers that no longer provide the level of support required to maintain safe operating conditions. Replacing these components will reduce mechanical stress on piping systems, improve system integrity, and maintain compliance with accepted engineering practices for high-energy piping.

(CBI-3) The existing well pump has experienced reliability issues that have increased the risk of water supply interruptions. Raw water is a critical resource required for plant operations, and a loss of water supply could adversely affect generation capability. Replacing the pump proactively will improve system reliability and ensure the plant maintains adequate water resources to support generation operations.

(CBI-4) The plant has a significant capital workload consisting of approximately 149 projects requiring engineering oversight, design support, and project execution activities. Current internal staffing is insufficient to provide the technical resources necessary to effectively manage the volume of planned work. Supplemental engineering support is needed to maintain project quality, support execution schedules, and ensure capital investments are delivered efficiently and effectively.

(CBI-5) The circulating water system is critical to Unit 3 operation. Previous inspections identified cracking within the existing concrete liner, indicating deterioration that could compromise system reliability over time. Installing a new internal liner will restore structural integrity, reduce the potential for future failures, and extend the useful life of this critical plant asset.

(CBI-6) Over time, air preheater baskets are subject to corrosion, fouling, erosion, and reduced heat transfer effectiveness. Given the age of the existing components, degradation has likely reduced efficiency and increased the risk of future failures. Replacing the cold basket sections will restore air preheater performance, improve thermal efficiency, and support continued reliable operation of Unit 3.

## Project No: 71316528 Reeves Outage Plant Capital 2028

Project Alternatives

(CBI-1&2) Failure to replace deficient high-energy pipe hangers increases the risk of excessive piping stress, abnormal movement, equipment damage, steam leaks, and potential forced outages. Continued deterioration of support systems can accelerate piping degradation and create operational and safety concerns. In severe cases, hanger failure could contribute to significant equipment damage, unplanned outages, and increased maintenance costs. If hanger deficiencies are not corrected, piping stresses and system movement may increase, potentially resulting in equipment damage, steam leaks, safety incidents, and forced outages. Continued operation under degraded conditions may lead to accelerated wear and increased maintenance requirements while exposing the plant to unnecessary operational risk.
(CBI-3) Failure of the existing well pump could result in the loss of a critical water source necessary for plant operation. Reduced water availability may lead to generation derates, operational restrictions, or complete unit shutdown. Emergency replacement activities would likely increase costs and extend operational impacts while exposing the facility to unnecessary reliability risk.
(CBI-4) Without supplemental engineering resources, critical capital projects may be delayed or inadequately supported, increasing the risk of schedule impacts, design deficiencies, and deferred reliability improvements. Resource constraints could reduce project execution effectiveness and limit the plant's ability to address identified asset health and reliability concerns.
(CBI-5) Continued deterioration of the circulating water line could result in worsening structural damage, water loss, reduced system performance, and potential operational impacts. Failure of the circulating water system could lead to unit derates, outages, costly emergency repairs, and more extensive future construction requirements.
(CBI-6) If the existing cold basket sections remain in service, continued degradation may reduce heat transfer efficiency, increase fuel consumption, and elevate the risk of component failure. Significant deterioration could negatively impact boiler performance, increase maintenance requirements, and potentially contribute to operational restrictions or outages.

## Project No: 71316528 Reeves Outage Plant Capital 2028

| | |
|---|---|
| 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:** **71316528** **Reeves Outage Plant Capital 2028**

Customer Benefit

(CBI-1&2) Customers benefit through improved reliability and availability of generating resources. Maintaining the integrity of critical steam systems reduces the likelihood of equipment failures, forced outages, and emergency repairs. Proactively replacing deficient supports helps ensure dependable generation and reduces long-term maintenance costs.
(CBI-4) Customers benefit through improved reliability of plant support infrastructure that directly affects generation availability. Maintaining a dependable water supply reduces the risk of outages and operational restrictions, helping ensure reliable electric service and minimizing potential emergency repair expenditures.
Customers benefit through improved execution of capital investments designed to maintain and enhance generation reliability. Adequate engineering support helps ensure projects are properly developed and completed on schedule, maximizing the value of capital investments while supporting dependable electric service.
(CBI-3 & 5)Customers benefit through improved reliability of a critical cooling water system supporting generation operations. Proactive rehabilitation reduces the likelihood of unexpected failures, minimizes outage risk, and helps avoid more costly future repairs. The project also supports long-term asset management and operational efficiency.
(CBI-6) Customers benefit through improved generating unit efficiency, reliability, and operational performance. Restoring air preheater effectiveness helps optimize fuel utilization and reduces the likelihood of equipment-related outages, supporting the delivery of reliable and cost-effective electric service.

## Project No: 71316528 Reeves Outage Plant Capital 2028

| | |
|---|---|
| Primary Value Driver | Safety & Security |
| Compliance | |
| Customer Delivery | These project help ensure generation resources remain available to serve customers. Improves delivery of projects that maintain generating capacity and reliable service. Improves delivery of projects that maintain generating capacity and reliable service. Supports dependable operation of Unit 3 and continued customer service. Improves plant performance and supports reliable, cost-effective electric generation. |
| Energy Transition | |

**Project No:** **71316528** **Reeves Outage Plant Capital 2028**

General Services

Reliability & Resiliency

(CBI-3, 4, 5, & 6) Maintains integrity of critical steam systems. Reduces risk of forced outages and equipment failures. Addresses identified unsafe pipe support conditions. Protects personnel and equipment from high-energy piping failures. Maintains a critical plant water source. Prevents derates and operational restrictions caused by water supply loss. Enables execution of reliability-driven capital projects. Supports timely completion of asset replacement and infrastructure improvements. Prevents failure of a critical cooling water asset. Preserves generation capability and system reliability. Restores heat transfer performance and equipment reliability. Reduces risk of equipment degradation and operational inefficiencies.

Safety & Security

(CBI-1 & 2) Hangers have been identified as unsafe and unable to carry design loads. Failure could lead to piping movement, steam leaks, equipment damage, and personnel exposure. Repairs are needed to protect personnel and equipment from high-energy piping failures.

Technology Advancements

## Project No: 71316528 Reeves Outage Plant Capital 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: 71316528 Reeves Outage Plant Capital 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **71316528** **Reeves Outage Plant Capital 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 71316528 Reeves Outage Plant Capital 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 | - | - | - | - | - | 56,500 | 56,500 | 3,806,204 |
| 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 | - | - | - | - | - | 2,317 | 2,317 | 156,054 |
| 926: A&G Loads | - | - | - | - | - | 1,983 | 1,983 | 133,598 |
| 928: AFUDC Debt | - | - | - | - | - | 58 | 163 | 4,124 |
| 929: AFUDC Equity | - | - | - | - | - | 91 | 256 | 6,507 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (5,326) | - | (3,321,218) |
| 825: Closing Cost of Removal | - | - | - | - | - | (769) | - | (479,086) |
| Project Net | - | - | - | - | - | 54,854 | 61,219 | 306,183 |

## Project No: 71316528 Reeves Outage Plant Capital 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 56,500 | 56,500 | 56,500 | 56,500 | 56,500 | 56,500 | 4,258,204 |
| 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 | 2,317 | 2,317 | 2,317 | 2,317 | 2,317 | 2,317 | 174,586 |
| 926: A&G Loads | 1,983 | 1,983 | 1,983 | 1,983 | 1,983 | 1,983 | 149,463 |
| 928: AFUDC Debt | 863 | 984 | 1,105 | 1,227 | 1,350 | 1,473 | 11,347 |
| 929: AFUDC Equity | 1,362 | 1,552 | 1,744 | 1,936 | 2,130 | 2,325 | 17,902 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (3,326,544) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (479,855) |
| Project Net | 63,024 | 63,335 | 63,648 | 63,963 | 64,279 | 64,598 | 805,104 |

**Project No:** **71316624** **Reeves U3 Turbine Generator Outage 2025**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

| County % | | |
|---|---|---|
| Bernalillo | 100% | |

Estimated Start Date 1/1/2025

Estimated Completion Date 8/31/2026

Description

(CBI-1) This project will replace the major capital parts in the turbine generator during the 2025 Major outage. Steam erosion during operation wears on the stationary and rotating components over time, which requires replacement during major outages. Major capital replacements include but are not limited to: blade rings, bearings, nozzle blocks, and seals in the low-pressure and high-pressure sections of the turbine's rotor. The generator will require electrical testing to identify stator and rotor windings integrity. Engineering will coordinate the project's schedule, inspections, installation, and costs.

## Project No: 71316624 Reeves U3 Turbine Generator Outage 2025

Project Need Justification

(CBI-1) To prevent catastrophic turbine damage, turbine components must be renewed at every six years. Per PNM (RUC) Retirement Unit Catalog, the turbine generator replacement of the following parts is capital reconstruction work.

- Replace turbine blades or buckets, stationary or rotating, complete row
- Replace bearing, complete assembly
- Replace steam seal housing (without packing), complete set by rotor section
- Replace nozzle block (box), upper and lower
- Replace main journal bearing, complete assembly
- Replace shaft packing, labyrinth seals, complete set by rotor section

The failure to replace these capital components will result in a turbine unfit for operation for the next (6) years.

## Project No: 71316624 Reeves U3 Turbine Generator Outage 2025

Project Alternatives

(CBI-1) Do nothing. A major outage will not be scheduled and the turbine will not be overhauled. Components will erode and become worn and it will not be fit to operate. Therefore the recommended action is the turbine overhaul.

**Project No:** **71316624** **Reeves U3 Turbine Generator Outage 2025**

| | |
|---|---|
| Project Estimate Approach | (CBI-1) Estimating a steam turbine outage requires a structured approach that combines engineering analysis, historical data, and risk-based assessment. A turbine outage has critical equipment identified that are standard replacement components that are likely to suffer degradation. Historical data shows parts procured and cost overruns. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction}, etc.) are estimated and added to the direct costs. The Reeves U3 2025 Steam Turbine project cost breakdown was identified at $2.6 million dollars prior to the outage. During the outage, as the turbine machine case was opened, inspections occurred, and discovery components were identified, that required replacement above and beyond the original scope, in this case an additional $2million dollars was requested to complete the overhaul work. |

**Project No:** **71316624** **Reeves U3 Turbine Generator Outage 2025**

Customer Benefit

Customers will benefit by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.
(1) The customer benefits from an overhauled turbine that has components that will last 6 years and provide safety to homes and businesses surrounding the Reeves station. A turbine coming apart at 3600 RPM can launch heavy projectiles up to a mile.
(2) The customer benefits from reliability by reducing risks of unexpected power interruptions. The Turbine machine is required to operate efficiently during hot summer months when the valley most needs reliable power to ensure no long term outages occur.
(3) The customer benefits from optimized turbine performance by improving efficiency and environmental performance. The station is required to meet all environmental compliance ranges that are mandated in the state of New Mexico.
(4) The customer benefits from PNM providing a long term cost management that is a direct result of a properly performed Major Turbine Overhaul, that provides stable electricity rates.

**Project No:** **71316624** **Reeves U3 Turbine Generator Outage 2025**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

**Project No:** **71316624** **Reeves U3 Turbine Generator Outage 2025**

General Services

Reliability & Resiliency

This project reduces the risk of catastrophic failure of steam turbine components. Catastrophic failure of turbine components cause significant down time.

Safety & Security

This project reduces the risk of catastrophic failure of steam turbine components. Catastrophic failure could result in serious harm to individuals in the proximity of the steam turbine.

Technology Advancements

## Project No: 71316624 Reeves U3 Turbine Generator Outage 2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 51,319 | - | - | - | - | - | - | 51,319 |
| 120: Overtime-General | 26,378 | - | - | - | - | - | - | 26,378 |
| 350: Material Issues-Major | 281,766 | - | - | - | - | - | - | 281,766 |
| 370: Outside Services | 3,802,964 | - | - | - | - | - | - | 3,802,964 |
| 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 | 5,672 | - | - | - | - | - | - | 5,672 |
| 914: Pension and Benefits | 19,296 | - | - | - | - | - | - | 19,296 |
| 915: Injuries and Damages | 10,971 | - | - | - | - | - | - | 10,971 |
| 921: Stores Load | 11,540 | - | - | - | - | - | - | 11,540 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 208,121 | - | - | - | - | - | - | 208,121 |
| 928: AFUDC Debt | 16,043 | - | - | - | - | - | - | 16,043 |
| 929: AFUDC Equity | 8,479 | - | - | - | - | - | - | 8,479 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,740,863) | (12,525) | - | - | - | - | - | (3,753,387) |
| 825: Closing Cost of Removal | - | (689,163) | - | - | - | - | - | (689,163) |
| Project Net | 701,687 | (701,687) | - | - | - | - | - | - |

**Project No:** **71316624** **Reeves U3 Turbine Generator Outage 2025**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 51,319 | - | - | - | - | - | - |
| 120: Overtime-General | 26,378 | - | - | - | - | - | - |
| 350: Material Issues-Major | 281,766 | - | - | - | - | - | - |
| 370: Outside Services | 3,802,964 | - | - | - | - | - | - |
| 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 | 5,672 | - | - | - | - | - | - |
| 914: Pension and Benefits | 19,296 | - | - | - | - | - | - |
| 915: Injuries and Damages | 10,971 | - | - | - | - | - | - |
| 921: Stores Load | 11,540 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 208,121 | - | - | - | - | - | - |
| 928: AFUDC Debt | 16,043 | - | - | - | - | - | - |
| 929: AFUDC Equity | 8,479 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,753,387) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (689,163) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316624 Reeves U3 Turbine Generator Outage 2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 51,319 |
| 120: Overtime-General | - | - | - | 26,378 |
| 350: Material Issues-Major | - | - | - | 281,766 |
| 370: Outside Services | - | - | - | 3,802,964 |
| 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 | - | - | - | 5,672 |
| 914: Pension and Benefits | - | - | - | 19,296 |
| 915: Injuries and Damages | - | - | - | 10,971 |
| 921: Stores Load | - | - | - | 11,540 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 208,121 |
| 928: AFUDC Debt | - | - | - | 16,043 |
| 929: AFUDC Equity | - | - | - | 8,479 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (3,753,387) |
| 825: Closing Cost of Removal | - | - | - | (689,163) |
| Project Net | - | - | - | - |

## Project No: 71316624 Reeves U3 Turbine Generator Outage 2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 51,319 | - | - | - | 51,319 | - | - | - |
| 120: Overtime-General | 26,378 | - | - | - | 26,378 | - | - | - |
| 350: Material Issues-Major | 281,766 | - | - | - | 281,766 | - | - | - |
| 370: Outside Services | 3,802,964 | - | - | - | 3,802,964 | - | - | - |
| 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 | 5,672 | - | - | - | 5,672 | - | - | - |
| 914: Pension and Benefits | 19,296 | - | - | - | 19,296 | - | - | - |
| 915: Injuries and Damages | 10,971 | - | - | - | 10,971 | - | - | - |
| 921: Stores Load | 11,540 | - | - | - | 11,540 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 208,121 | - | - | - | 208,121 | - | - | - |
| 928: AFUDC Debt | 16,043 | - | - | - | 16,043 | - | - | - |
| 929: AFUDC Equity | 8,479 | - | - | - | 8,479 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,753,387) | - | - | - | (3,753,387) | - | - | - |
| 825: Closing Cost of Removal | (689,163) | - | - | - | (689,163) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 71316624 Reeves U3 Turbine Generator Outage 2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 51,319 |
| 120: Overtime-General | - | - | - | - | - | - | 26,378 |
| 350: Material Issues-Major | - | - | - | - | - | - | 281,766 |
| 370: Outside Services | - | - | - | - | - | - | 3,802,964 |
| 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 | - | - | - | - | - | - | 5,672 |
| 914: Pension and Benefits | - | - | - | - | - | - | 19,296 |
| 915: Injuries and Damages | - | - | - | - | - | - | 10,971 |
| 921: Stores Load | - | - | - | - | - | - | 11,540 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 208,121 |
| 928: AFUDC Debt | - | - | - | - | - | - | 16,043 |
| 929: AFUDC Equity | - | - | - | - | - | - | 8,479 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (3,753,387) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (689,163) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316626 Reeves U2 Auxiliary Transformer

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

| | | | |
|---|---|---|---|
| County % | Bernalillo | 100% | |

Estimated Start Date 12/1/2025

Estimated Completion Date 6/30/2027

Description

This project will replace the Reeves Unit 2 Auxiliary Transformer, which has reached the end of its useful service life and has exhibited signs of deteriorating internal condition. The existing transformer is approximately 68 years old and has recently experienced off-gassing, an indication of insulation degradation and potential internal electrical faults. The project includes engineering, procurement, installation, testing, and commissioning of a replacement auxiliary transformer to ensure continued reliable electrical service to critical plant equipment supporting Unit 2 operations.

## Project No: 71316626 Reeves U2 Auxiliary Transformer

Project Need Justification

The Unit 2 Auxiliary Transformer is a critical component that provides power to essential plant systems required for unit operation. Condition monitoring has identified off-gassing within the transformer, indicating degradation of internal insulation materials and elevated risk of equipment failure. Given the transformer's advanced age and deteriorating condition, continued operation presents increasing reliability concerns and maintenance challenges. Replacement is necessary to mitigate the risk of catastrophic failure, maintain dependable auxiliary power supply, and support the long-term reliable operation of the generating unit.

**Project No:** **71316626** **Reeves U2 Auxiliary Transformer**

Project Alternatives

Failure to replace the transformer increases the likelihood of an unexpected transformer failure that could result in a unit derate, forced outage, or extended plant downtime. Transformer failures can occur with little warning and may result in significant equipment damage, lengthy replacement timelines, and substantial emergency repair costs. A loss of auxiliary power could affect multiple plant systems critical to unit operation, reducing generation availability and impacting the plant's ability to reliably serve customer demand. Additionally, a catastrophic transformer failure could create safety hazards and increase environmental and operational risks.

## Project No: 71316626 Reeves U2 Auxiliary Transformer

| | |
|---|---|
| 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:** **71316626** **Reeves U2 Auxiliary Transformer**

| | |
|---|---|
| Customer Benefit | Customers benefit from improved generation reliability and reduced risk of unplanned outages through the replacement of a critical aging asset. Proactively replacing the transformer before failure occurs helps maintain generating unit availability, reduces the likelihood of emergency repair costs, and supports dependable electric service. The project also avoids the potential costs and operational disruptions associated with a catastrophic transformer failure, providing a more cost-effective and reliable solution for customers over the long term. |

**Project No:** **71316626** **Reeves U2 Auxiliary Transformer**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

## Project No: 71316626 Reeves U2 Auxiliary Transformer

General Services

Reliability & Resiliency

This project will reduce the risk of forced outages, derates, and loss of auxiliary power which will improve generation asset reliability and long-term operational resilience. It will also provide continued availability of essential plant systems required for Unit 2 operation.

Safety & Security

This project reduces the risk of transformer-related failures that could result in fire, equipment damage, or personnel exposure to hazardous conditions before they develop into significant operational or safety events.

Technology Advancements

## Project No: 71316626 Reeves U2 Auxiliary Transformer

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 61,772 | - | - | - | - | - | - | 61,772 |
| 120: Overtime-General | 369 | - | - | - | - | - | - | 369 |
| 350: Material Issues-Major | 914 | - | - | - | - | - | - | 914 |
| 370: Outside Services | 866,141 | 21,592 | - | - | - | - | - | 887,734 |
| 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 | 4,468 | - | - | - | - | - | - | 4,468 |
| 914: Pension and Benefits | 19,947 | - | - | - | - | - | - | 19,947 |
| 915: Injuries and Damages | 6,617 | - | - | - | - | - | - | 6,617 |
| 921: Stores Load | 2,334 | - | - | - | - | - | - | 2,334 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 885 | - | - | - | - | - | 885 |
| 926: A&G Loads | 46,460 | 1,123 | - | - | - | - | - | 47,583 |
| 928: AFUDC Debt | 10,364 | 2,561 | - | - | - | - | - | 12,925 |
| 929: AFUDC Equity | 8,433 | 2,729 | - | - | - | - | - | 11,162 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (1,053,724) | - | - | - | - | - | (1,053,724) |
| 825: Closing Cost of Removal | - | (2,983) | - | - | - | - | - | (2,983) |
| Project Net | 1,027,818 | (1,027,818) | - | - | - | - | - | (0) |

## Project No: 71316626 Reeves U2 Auxiliary Transformer

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 61,772 | - | - | - | - | - | - |
| 120: Overtime-General | 369 | - | - | - | - | - | - |
| 350: Material Issues-Major | 914 | - | - | - | - | - | - |
| 370: Outside Services | 887,734 | - | - | - | - | - | - |
| 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 | 4,468 | - | - | - | - | - | - |
| 914: Pension and Benefits | 19,947 | - | - | - | - | - | - |
| 915: Injuries and Damages | 6,617 | - | - | - | - | - | - |
| 921: Stores Load | 2,334 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 885 | - | - | - | - | - | - |
| 926: A&G Loads | 47,583 | - | - | - | - | - | - |
| 928: AFUDC Debt | 12,925 | - | - | - | - | - | - |
| 929: AFUDC Equity | 11,162 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,053,724) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (2,983) | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 71316626 Reeves U2 Auxiliary Transformer

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 61,772 |
| 120: Overtime-General | - | - | - | 369 |
| 350: Material Issues-Major | - | - | - | 914 |
| 370: Outside Services | - | - | - | 887,734 |
| 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 | - | - | - | 4,468 |
| 914: Pension and Benefits | - | - | - | 19,947 |
| 915: Injuries and Damages | - | - | - | 6,617 |
| 921: Stores Load | - | - | - | 2,334 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 885 |
| 926: A&G Loads | - | - | - | 47,583 |
| 928: AFUDC Debt | - | - | - | 12,925 |
| 929: AFUDC Equity | - | - | - | 11,162 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,053,724) |
| 825: Closing Cost of Removal | - | - | - | (2,983) |
| Project Net | - | - | - | (0) |

## Project No: 71316626 Reeves U2 Auxiliary Transformer

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 61,772 | - | - | - | 61,772 | - | - | - |
| 120: Overtime-General | 369 | - | - | - | 369 | - | - | - |
| 350: Material Issues-Major | 914 | - | - | - | 914 | - | - | - |
| 370: Outside Services | 887,734 | - | - | - | 887,734 | - | - | - |
| 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 | 4,468 | - | - | - | 4,468 | - | - | - |
| 914: Pension and Benefits | 19,947 | - | - | - | 19,947 | - | - | - |
| 915: Injuries and Damages | 6,617 | - | - | - | 6,617 | - | - | - |
| 921: Stores Load | 2,334 | - | - | - | 2,334 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 885 | - | - | - | 885 | - | - | - |
| 926: A&G Loads | 47,583 | - | - | - | 47,583 | - | - | - |
| 928: AFUDC Debt | 12,925 | - | - | - | 12,925 | - | - | - |
| 929: AFUDC Equity | 11,162 | - | - | - | 11,162 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,053,724) | - | - | - | (1,053,724) | - | - | - |
| 825: Closing Cost of Removal | (2,983) | - | - | - | (2,983) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 71316626 Reeves U2 Auxiliary Transformer

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 61,772 |
| 120: Overtime-General | - | - | - | - | - | - | 369 |
| 350: Material Issues-Major | - | - | - | - | - | - | 914 |
| 370: Outside Services | - | - | - | - | - | - | 887,734 |
| 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 | - | - | - | - | - | - | 4,468 |
| 914: Pension and Benefits | - | - | - | - | - | - | 19,947 |
| 915: Injuries and Damages | - | - | - | - | - | - | 6,617 |
| 921: Stores Load | - | - | - | - | - | - | 2,334 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 885 |
| 926: A&G Loads | - | - | - | - | - | - | 47,583 |
| 928: AFUDC Debt | - | - | - | - | - | - | 12,925 |
| 929: AFUDC Equity | - | - | - | - | - | - | 11,162 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,053,724) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (2,983) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 3/1/2025

Estimated Completion Date 8/31/2026

Description

(CBI-1) The Reeves Unit 3 Generator Exciter Controller Upgrade project will replace the existing Automatic Voltage Regulator (AVR) excitation controller hardware that was installed in the early 2000s. The excitation system is a critical component of generator operation, providing field current to the rotor windings and enabling the generator to regulate voltage and maintain synchronization with the electric grid. The current AVR utilizes aging control cards that regulate voltage, current, and frequency and are becoming increasingly difficult to support due to limited spare parts availability and equipment obsolescence. This project will upgrade the AVR excitation controllers with modern technology that integrates with existing plant control and monitoring systems, extending the useful life of the generator excitation system and improving long-term reliability.

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

Project Need Justification

(CBI-1) This project is necessary because the existing AVR excitation controller has reached a stage in its lifecycle where equipment obsolescence and spare parts availability pose a growing operational risk. The excitation system is essential for maintaining generator voltage control and grid synchronization, making it one of the most critical support systems for Unit 3 operation. As replacement components become increasingly difficult to obtain, a controller failure could result in extended outage durations while parts are sourced or temporary solutions are developed. Upgrading the excitation controllers proactively ensures continued supportability, improves system reliability, and reduces the risk associated with aging electronic control equipment.

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

Project Alternatives

(CBI-1) If the (AVR) Automatic Voltage Regulator excitation controller is not upgraded, Reeves Unit 3 will face increasing operational risk associated with aging and obsolete equipment. A failure of the excitation controller could prevent the generator from properly controlling voltage and synchronizing with the electric grid, resulting in a forced outage and loss of generating capacity. Additionally, obsolete hardware may require extended repair times due to limited availability of replacement parts and technical support. As equipment ages, the likelihood of failures increases, potentially impacting plant reliability, generation availability, outage costs, and the facility's ability to respond to system demands during peak load conditions.

**Project No:** **71316925** **Reeves U3 Generator Exciter Contrlr**

| | |
|---|---|
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

| | |
|---|---|
| Customer Benefit | (CBI-1) The AVR Excitation Controller Upgrade benefits customers by improving the reliability and availability of Reeves Unit 3, ensuring dependable generation resources remain available to support electric service needs. By proactively replacing aging control equipment before failure occurs, the project reduces the risk of forced outages and extended equipment downtime that could negatively affect system operations. The upgrade also helps avoid costly emergency repairs and minimizes operational disruptions, supporting efficient fleet management and helping maintain reliable, cost-effective electric service for customers across the PNM system. |

| **Project No:** | **71316925** **Reeves U3 Generator Exciter Contrlr** |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | |
| Customer Delivery | The secondary value driver is Customer Delivery because maintaining a reliable excitation system helps ensure continuous generation service and grid stability. The project supports dependable electric service by reducing the likelihood of generation interruptions that could affect system performance, resource availability, and the ability to meet customer demand during critical operating periods. |
| Energy Transition | |

**Project No:** **71316925** **Reeves U3 Generator Exciter Contrlr**

General Services

Reliability & Resiliency

The primary value driver is Reliability & Resiliency because the project directly addresses the risk posed by aging and obsolete excitation control equipment. Replacing the AVR controllers improves generator availability, reduces the potential for forced outages, enhances equipment supportability, and ensures Unit 3 can continue to provide reliable generation and voltage support to the electric grid.

Safety & Security

Technology Advancements

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 4,641 | - | - | - | - | - | - | 4,641 |
| 120: Overtime-General | 1,668 | - | - | - | - | - | - | 1,668 |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 361,597 | - | - | - | - | - | - | 361,597 |
| 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 | 452 | - | - | - | - | - | - | 452 |
| 914: Pension and Benefits | 1,454 | - | - | - | - | - | - | 1,454 |
| 915: Injuries and Damages | 633 | - | - | - | - | - | - | 633 |
| 921: Stores Load | 1,039 | - | - | - | - | - | - | 1,039 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 18,395 | - | - | - | - | - | - | 18,395 |
| 928: AFUDC Debt | 1,831 | - | - | - | - | - | - | 1,831 |
| 929: AFUDC Equity | 1,271 | - | - | - | - | - | - | 1,271 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (325,911) | (2,091) | - | - | - | - | - | (328,002) |
| 825: Closing Cost of Removal | - | (64,980) | - | - | - | - | - | (64,980) |
| Project Net | 67,071 | (67,071) | - | - | - | - | - | - |

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 4,641 | - | - | - | - | - | - |
| 120: Overtime-General | 1,668 | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 361,597 | - | - | - | - | - | - |
| 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 | 452 | - | - | - | - | - | - |
| 914: Pension and Benefits | 1,454 | - | - | - | - | - | - |
| 915: Injuries and Damages | 633 | - | - | - | - | - | - |
| 921: Stores Load | 1,039 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 18,395 | - | - | - | - | - | - |
| 928: AFUDC Debt | 1,831 | - | - | - | - | - | - |
| 929: AFUDC Equity | 1,271 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (328,002) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (64,980) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 4,641 |
| 120: Overtime-General | - | - | - | 1,668 |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 361,597 |
| 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 | - | - | - | 452 |
| 914: Pension and Benefits | - | - | - | 1,454 |
| 915: Injuries and Damages | - | - | - | 633 |
| 921: Stores Load | - | - | - | 1,039 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | - | - | - | 18,395 |
| 928: AFUDC Debt | - | - | - | 1,831 |
| 929: AFUDC Equity | - | - | - | 1,271 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (328,002) |
| 825: Closing Cost of Removal | - | - | - | (64,980) |
| Project Net | - | - | - | - |

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 4,641 | - | - | - | 4,641 | - | - | - |
| 120: Overtime-General | 1,668 | - | - | - | 1,668 | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 361,597 | - | - | - | 361,597 | - | - | - |
| 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 | 452 | - | - | - | 452 | - | - | - |
| 914: Pension and Benefits | 1,454 | - | - | - | 1,454 | - | - | - |
| 915: Injuries and Damages | 633 | - | - | - | 633 | - | - | - |
| 921: Stores Load | 1,039 | - | - | - | 1,039 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 18,395 | - | - | - | 18,395 | - | - | - |
| 928: AFUDC Debt | 1,831 | - | - | - | 1,831 | - | - | - |
| 929: AFUDC Equity | 1,271 | - | - | - | 1,271 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (328,002) | - | - | - | (328,002) | - | - | - |
| 825: Closing Cost of Removal | (64,980) | - | - | - | (64,980) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 71316925 Reeves U3 Generator Exciter Contrlr

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 4,641 |
| 120: Overtime-General | - | - | - | - | - | - | 1,668 |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 361,597 |
| 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 | - | - | - | - | - | - | 452 |
| 914: Pension and Benefits | - | - | - | - | - | - | 1,454 |
| 915: Injuries and Damages | - | - | - | - | - | - | 633 |
| 921: Stores Load | - | - | - | - | - | - | 1,039 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 18,395 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,831 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,271 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (328,002) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (64,980) |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **71519017** **Four Corners Facility Improvements**

Company: 003 Bulk Power
Location: 715 Four Corners Power Station

**Project Information** County % San Juan 100%

Estimated Start Date 1/1/2017

Estimated Completion Date 6/30/2031

Description

This project covers multiple facility improvements projects at Four Corners, a plant that is operated by Arizona Public Service Electric (APS) and funded by a consortium of utilities including APS and PNM. This project's activities were initiated after those in project 71519210.

## Project No: 71519017 Four Corners Facility Improvements

Project Need Justification

As the primary operator of the Four Corners plant, APS identifies capital projects that need to be performed. These projects are assigned to one of following categories: Safety, Environmental, Regulatory, Strategic, Reliability.

At the time a project is identified, the project is assigned to a budget category. APS' Plant, Finance, and Projects departments work together to assign the category. Projects that fall under a specific safety regulation (i.e., OHSA), code or standard (e.g., Boiler Code, National Fire Protection Association [NFPA]), or that pose an obvious risk to personnel or equipment, are classified as Safety (examples may include safety access platforms or electrical arc protection). Projects that fall under a specific environmental regulation (e.g., Clean Air Act [CAA], Mercury and Air Toxic Standards [MATS], and Coal Combustion Residuals [CCR]) or the project is related to an environmental system (e.g., Baghouse, Scrubber, Ponds) are classified as Environmental (examples may include baghouse bag replacements or improvements to the sulfur scrubber controls). Projects that fall under a specific regulation (e.g., Critical Infrastructure Protection [CIP], State Laws) are classified as Regulatory. Projects that have O&M savings or Equivalent Availability Factor (EAF) impact are classified as Reliability (examples may include equipment such as pump, compressor or other equipment replacements). Projects related to Cultural, Community, Facilities, IT and Communications are classified as Strategic.

The System Health process is conducted by APS by breaking down its plants into many different process areas and systems. These process areas are assigned to subject matter experts (SME) or process teams who act as the system health experts. The SME/team has the responsibility to evaluate system health for these process areas based on equipment condition and performance parameters. The SME/team reviews and evaluates system issues including equipment reliability issues, forced outage related information, corrective maintenance history, work order backlog, vendor bulletins, etc. and assigns a system health color (Green, White, Yellow or Red) to the system. Systems or process areas with yellow or red colors require a system health plan to move the system back to white or green. The plan may include a capital project to address the system health. Full evaluations occur once a year. System colors and plans are evaluated at least quarterly by the Plant Health Committee.

**Project No:** **71519017** **Four Corners Facility Improvements**

| | |
|---|---|
| Project Alternatives | Numerous alternatives are considered on a project by project basis which are recorded in individual project request documentation. The APS Capital Project process can be referenced for project alternatives evaluations. Often times, large scale projects will be preceded by an engineering study that typically outlines the number of alternatives and benefits/costs of the various alternatives. |

**Project No:** **71519017** **Four Corners Facility Improvements**

| | |
|---|---|
| Project Estimate Approach | Projects are estimated by APS Capital projects group by utilizing an independent third party engineering firm. The APS Engineering Service Provider (ESP) has a team of engineers/resources who develops project scopes, cost estimates and milestone schedules leveraging data and experience from past projects with similar scopes. |

**Project No:** **71519017** **Four Corners Facility Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit with continued ongoing safe, reliable, regulatory compliant and cost-effective management and operation of power generation assets. |

## Project No: 71519017 Four Corners Facility Improvements

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **71519017** **Four Corners Facility Improvements**

| | |
|---|---|
| General Services | |
| Reliability & Resiliency | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Safety & Security | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Technology Advancements | |

## Project No: 71519017 Four Corners Facility Improvements

| | 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 | 133,808,791 | 337,480 | 245,180 | 608,270 | 393,900 | 189,930 | 990,080 | 136,573,631 |
| 426: Capitalized Interest | 1,805 | - | - | - | - | - | - | 1,805 |
| 610: Expenses - General | (733,833) | - | - | - | - | - | - | (733,833) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 1,083,970 | 2,767 | 2,010 | 4,988 | 3,230 | 1,557 | 8,119 | 1,106,641 |
| 928: AFUDC Debt | 1,474,298 | 17,127 | 14,264 | 14,890 | 15,829 | 16,246 | 17,154 | 1,569,809 |
| 929: AFUDC Equity | 1,929,777 | 18,253 | 15,202 | 15,869 | 16,870 | 17,314 | 18,282 | 2,031,567 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (123,151,638) | (1,471,601) | (178,441) | (123,253) | (139,323) | (222,207) | (2,168,401) | (127,454,864) |
| 825: Closing Cost of Removal | (7,596,671) | (9,406) | (1,564) | (1,735) | (2,373) | (4,068) | (53,018) | (7,668,834) |
| Project Net | 6,816,500 | (1,105,380) | 96,652 | 519,030 | 288,133 | (1,227) | (1,187,784) | 5,425,923 |

## Project No: 71519017 Four Corners Facility Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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 | 136,573,631 | 483,080 | 519,610 | 1,724,450 | 505,310 | 198,900 | 802,490 |
| 426: Capitalized Interest | 1,805 | - | - | - | - | - | - |
| 610: Expenses - General | (733,833) | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 1,106,641 | 3,961 | 4,261 | 14,140 | 4,144 | 1,631 | 6,580 |
| 928: AFUDC Debt | 1,569,809 | 12,278 | 13,263 | 15,556 | 17,831 | 16,918 | 15,879 |
| 929: AFUDC Equity | 2,031,567 | 16,610 | 17,943 | 21,044 | 24,123 | 22,887 | 21,482 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (127,454,864) | (59,385) | (60,222) | (66,266) | (785,110) | (979,144) | (194,105) |
| 825: Closing Cost of Removal | (7,668,834) | (1,649) | (1,855) | (2,543) | (31,320) | (39,528) | (8,336) |
| Project Net | 5,425,923 | 454,895 | 493,000 | 1,706,381 | (265,022) | (778,337) | 643,992 |

## Project No: 71519017 Four Corners Facility Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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 | 93,470 | 270,530 | 1,051,180 | 142,222,651 |
| 426: Capitalized Interest | - | - | - | 1,805 |
| 610: Expenses - General | - | - | - | (733,833) |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 766 | 2,218 | 8,620 | 1,152,963 |
| 928: AFUDC Debt | 16,472 | 16,224 | 17,520 | 1,711,750 |
| 929: AFUDC Equity | 22,284 | 21,948 | 23,702 | 2,223,591 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (322,025) | (79,423) | (10,692) | (130,011,236) |
| 825: Closing Cost of Removal | (13,853) | (3,467) | (495) | (7,771,880) |
| Project Net | (202,886) | 228,030 | 1,089,835 | 8,795,811 |

## Project No: 71519017 Four Corners Facility Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 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 | 142,222,651 | 642,070 | 824,590 | 1,544,430 | 145,233,741 | 324,753 | 324,753 | 2,827,491 |
| 426: Capitalized Interest | 1,805 | - | - | - | 1,805 | - | - | - |
| 610: Expenses - General | (733,833) | - | - | - | (733,833) | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 1,152,963 | 5,265 | 6,762 | 12,664 | 1,177,654 | 2,663 | 2,663 | 23,185 |
| 928: AFUDC Debt | 1,711,750 | 19,366 | 20,718 | 22,576 | 1,774,409 | 20,702 | 20,011 | 23,260 |
| 929: AFUDC Equity | 2,223,591 | 26,200 | 28,028 | 30,541 | 2,308,359 | 32,662 | 31,572 | 36,698 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (130,011,236) | (130,655) | (331,886) | (1,591,206) | (132,064,982) | (676,746) | (50,045) | (63,517) |
| 825: Closing Cost of Removal | (7,771,880) | (6,211) | (16,241) | (81,543) | (7,875,875) | (34,849) | (2,590) | (3,500) |
| Project Net | 8,795,811 | 556,035 | 531,970 | (62,538) | 9,821,278 | (330,814) | 326,364 | 2,843,618 |

## Project No: 71519017 Four Corners Facility Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 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 | 2,827,491 | 324,753 | 324,753 | 324,753 | 324,753 | 324,753 | 153,161,994 |
| 426: Capitalized Interest | - | - | - | - | - | - | 1,805 |
| 610: Expenses - General | - | - | - | - | - | - | (733,833) |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 23,185 | 2,663 | 2,663 | 2,663 | 2,663 | 2,663 | 1,242,666 |
| 928: AFUDC Debt | 29,075 | 31,252 | 21,347 | 21,518 | 21,690 | 21,862 | 1,985,126 |
| 929: AFUDC Equity | 45,872 | 49,306 | 33,679 | 33,949 | 34,220 | 34,492 | 2,640,809 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (565,050) | (4,927,729) | (283,148) | (283,335) | (283,547) | (283,784) | (139,481,883) |
| 825: Closing Cost of Removal | (32,299) | (281,244) | (16,167) | (16,182) | (16,199) | (16,216) | (8,295,120) |
| Project Net | 2,328,275 | (4,801,000) | 83,128 | 83,366 | 83,579 | 83,770 | 10,521,565 |

## Project No: 71519117 Four Corners Facility - Switchyard

Company: 003 Bulk Power
Location: 715 Four Corners Power Station

**Project Information**

County % San Juan 100%

Estimated Start Date 1/1/2017

Estimated Completion Date 12/31/2032

Description

This project covers multiple facility improvements projects at Four Corners switchyard, operated by Arizona Public Service Electric (APS) and funded by a consortium of utilities including PNM. The improvements covered by this project include:

CBI 26-01: Wide Area Network equipment replacements for serial multiplexers, microwave radio and supporting DC power systems as this hardware is no longer supported by vendors and the number of incidents/malfunctions has increased due equipment age/condition
CBI 26-05: Replace switch and foundations in the Four Corners 230kV yard #FC1223
CBI 26-06: Replace Switch 230KV #FC1224
CBI 26-07: Replace Switch 230KV #FC1221 and CTS
CBI 26-08: Replace 230kV Switch #SFC821 in the 230kV yard
CBI 26-09: Replace 230kV Switch SFC823 in the 230kV yard

## Project No: 71519117 Four Corners Facility - Switchyard

Project Need Justification

As the primary operator of the Four Corners plant, APS identifies capital projects that need to be performed. These projects are assigned to one of following categories: Safety, Environmental, Regulatory, Strategic, Reliability. The costs of these projects are split across the owners of the plant.

CBI 26-01: The expected benefit to the project is to increase traffic capacity by 100% to handle updated and increased data volume, and maintain speed. It will increase communications capabilities while decreasing the overall amount of network hardware that needs to be maintained, thus reducing required labor and the amount of time the equipment is not working. An additional benefit is to reduce the control room real estate and rack space needed for equipment, thus reducing costs. Newer hardware is fully supported, and parts and replacements fully available from the manufacturer.
CBI 26-05: This switch is located in the Four Corners 230kV yard, Bay 12. The switch was inoperable and needs to be replaced. A walkdown also identified compromised foundations to this switch. Other switches and CTs were identified also during this walkdown (other CBIs). These switches and CTs affect the emission abatement feed to Unit 5 ST2 and ST4 transformers.
CBI 26-06: This switch is located in the Four Corners 230kV yard, Bay 12. During this time the center contact was arcing causing the contact to weld together. The switch was inoperable and needs to be replaced. A walkdown identified compromised foundations to this existing switch. Other switches and CTs were identified also during this walkdown (other CBIs). These switches and CTs affect the emission abatement feed to Unit 5 ST2 and ST4 transformers.
CBI 26-07: This switch is located in the Four Corners 230kV yard, Bay 12. The switch was inoperable and needs to be replaced. A walkdown also identified compromised foundations to this existing switch that will be repaired.
CBI 26-08: This switch is located in the Four Corners 230kV yard, Bay 8. Bay 8 is the feed from the #8 Transformer (345-230kV). A crack was found on FC821. Due to this crack and the age, it needs to be replaced.
CBI 26-09: This switch is located in the Four Corners 230kV yard, Bay 8. Bay 8 is the feed from the #8 Transformer (345-230kV). This switch was very hard to operate and is aged so must be replaced.

**Project No:** **71519117** **Four Corners Facility - Switchyard**

| | |
|---|---|
| Project Alternatives | Numerous alternatives were considered by APS on a project-by-project basis which are recorded in individual project request documentation. The alternatives chosen are selected because of cost effectiveness, timeliness, single approved vendor, etc. Often times, large scale projects will be preceded by an engineering study that typically outlines the number of alternatives and benefits/costs of the various alternatives. |

**Project No:** **71519117** **Four Corners Facility - Switchyard**

| | |
|---|---|
| Project Estimate Approach | Projects are estimated by APS Capital projects group by utilizing an independent third party engineering firm. The APS Engineering Service Provider (ESP) has a team of engineers/resources who develop project scopes, cost estimates and milestone schedules leveraging data and experience from past projects with similar scopes. |

**Project No:** **71519117** **Four Corners Facility - Switchyard**

| | |
|---|---|
| Customer Benefit | PNM customers will benefit as the capital replacements covered by this project as these projects ensure ongoing safe, efficient, reliable, and cost-effective operation of the switchyard. |

| **Project No:** | **71519117 Four Corners Facility - Switchyard** |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | This project contains multiple projects that must be replaced to ensure the switchyard operates in a compliant manner. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **71519117** **Four Corners Facility - Switchyard**

General Services

Reliability & Resiliency

This project contains multiple projects that must be replaced to ensure the reliable operation of the switchyard.

Safety & Security

This project contains multiple projects that must be replaced to ensure the safe operation of the switchyard.

Technology Advancements

## Project No: 71519117 Four Corners Facility - Switchyard

| | 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 | 1,941,105 | 15,490 | 15,490 | 15,490 | 15,490 | 15,490 | 15,490 | 2,034,045 |
| 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 | 15,917 | 127 | 127 | 127 | 127 | 127 | 127 | 16,679 |
| 928: AFUDC Debt | 57,584 | 537 | 506 | 516 | 531 | 505 | 501 | 60,680 |
| 929: AFUDC Equity | 68,149 | 572 | 539 | 550 | 566 | 538 | 534 | 71,448 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,748,536) | (28,448) | (11,633) | (9,775) | (26,303) | (17,162) | (9,252) | (1,851,110) |
| 825: Closing Cost of Removal | (122,848) | (133) | (104) | (126) | (432) | (341) | (214) | (124,199) |
| Project Net | 211,371 | (11,855) | 4,925 | 6,782 | (10,022) | (843) | 7,186 | 207,544 |

## Project No: 71519117 Four Corners Facility - Switchyard

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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 | 2,034,045 | 16,110 | 16,110 | 16,110 | 16,110 | 16,110 | 16,110 |
| 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 | 16,679 | 132 | 132 | 132 | 132 | 132 | 132 |
| 928: AFUDC Debt | 60,680 | 467 | 503 | 540 | 577 | 613 | 650 |
| 929: AFUDC Equity | 71,448 | 632 | 681 | 730 | 780 | 830 | 880 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,851,110) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (124,199) | - | - | - | - | - | - |
| Project Net | 207,544 | 17,341 | 17,426 | 17,512 | 17,599 | 17,685 | 17,772 |

**Project No:** **71519117** **Four Corners Facility - Switchyard**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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 | 16,110 | 16,110 | 16,110 | 2,179,035 |
| 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 | 132 | 132 | 132 | 17,868 |
| 928: AFUDC Debt | 688 | 725 | 763 | 66,206 |
| 929: AFUDC Equity | 930 | 981 | 1,032 | 78,924 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,851,110) |
| 825: Closing Cost of Removal | - | - | - | (124,199) |
| Project Net | 17,860 | 17,948 | 18,037 | 366,725 |

## Project No: 71519117 Four Corners Facility - Switchyard

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 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 | 2,179,035 | 16,110 | 16,110 | 16,110 | 2,227,365 | 16,755 | 16,755 | 16,755 |
| 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 | 17,868 | 132 | 132 | 132 | 18,264 | 137 | 137 | 137 |
| 928: AFUDC Debt | 66,206 | 801 | 839 | 877 | 68,722 | 17 | 52 | 87 |
| 929: AFUDC Equity | 78,924 | 1,083 | 1,135 | 1,186 | 82,328 | 27 | 82 | 137 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,851,110) | - | - | (404,270) | (2,255,380) | - | - | - |
| 825: Closing Cost of Removal | (124,199) | - | - | (17,101) | (141,299) | - | - | - |
| Project Net | 366,725 | 18,126 | 18,215 | (403,066) | 0 | 16,937 | 17,026 | 17,116 |

## Project No: 71519117 Four Corners Facility - Switchyard

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 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 | 16,755 | 16,755 | 16,755 | 16,755 | 16,755 | 16,755 | 2,378,160 |
| 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 | 137 | 137 | 137 | 137 | 137 | 137 | 19,501 |
| 928: AFUDC Debt | 122 | 157 | 192 | 228 | 264 | 300 | 70,140 |
| 929: AFUDC Equity | 192 | 247 | 303 | 359 | 416 | 473 | 84,564 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,255,380) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (141,299) |
| Project Net | 17,206 | 17,297 | 17,388 | 17,480 | 17,572 | 17,665 | 155,685 |

## Project No: **72123410** **PV U1**

Company: 003 Bulk Power
Location: 721 Palo Verde Unit 1

**Project Information**

County % Maricopa (AZ) 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 12/31/2032

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) Unit 1.

**Project No:** **72123410** **PV U1**

| | |
|---|---|
| Project Need Justification | Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified. |

**Project No:** **72123410 PV U1**

Project Alternatives

Do nothing. PNM would violate its ownership contract obligations. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047.
The contract provides an alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

**Project No:** **72123410** **PV U1**

| | |
|---|---|
| Project Estimate Approach | Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21. |

**Project No:** **72123410** **PV U1**

| | |
|---|---|
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

## Project No: 72123410 PV U1

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **72123410** **PV U1**

General Services

Reliability & Resiliency

This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Safety & Security

This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Technology Advancements

## Project No: 72123410 PV U1

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 391 | - | - | - | - | - | - | 391 |
| 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 | 55,794,206 | 331,321 | 199,056 | 613,841 | 1,062,954 | 259,155 | 105,119 | 58,365,652 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (4,441,508) | - | - | - | - | - | - | (4,441,508) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | 27 |
| 914: Pension and Benefits | 139 | - | - | - | - | - | - | 139 |
| 915: Injuries and Damages | 12 | - | - | - | - | - | - | 12 |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 457,518 | 2,717 | 1,632 | 5,034 | 8,716 | 2,125 | 862 | 478,604 |
| 928: AFUDC Debt | 963,252 | 3,796 | 4,450 | 5,446 | 7,482 | 9,087 | 9,559 | 1,003,072 |
| 929: AFUDC Equity | 1,350,581 | 4,045 | 4,743 | 5,804 | 7,974 | 9,685 | 10,188 | 1,393,020 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (50,482,922) | - | - | - | (6,649) | (4,223) | (1,570,247) | (52,064,041) |
| 825: Closing Cost of Removal | (2,196,636) | - | - | - | (267) | (168) | (62,104) | (2,259,175) |
| Project Net | 1,445,061 | 341,878 | 209,881 | 630,125 | 1,080,210 | 275,661 | (1,506,623) | 2,476,194 |

**Project No:** **72123410** **PV U1**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 391 | - | - | - | - | - | - |
| 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 | 58,365,652 | 137,061 | 248,941 | 192,468 | 111,301 | 92,716 | 174,990 |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | (4,441,508) | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| 914: Pension and Benefits | 139 | - | - | - | - | - | - |
| 915: Injuries and Damages | 12 | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 478,604 | 1,124 | 2,041 | 1,578 | 913 | 760 | 1,435 |
| 928: AFUDC Debt | 1,003,072 | 5,435 | 5,102 | 5,606 | 5,963 | 2,972 | 3,276 |
| 929: AFUDC Equity | 1,393,020 | 7,353 | 6,903 | 7,584 | 8,068 | 4,020 | 4,432 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (52,064,041) | (349,862) | - | - | (1,457,551) | - | (889,362) |
| 825: Closing Cost of Removal | (2,259,175) | (13,742) | - | - | (56,129) | - | (33,882) |
| Project Net | 2,476,194 | (212,631) | 262,987 | 207,236 | (1,387,435) | 100,468 | (739,110) |

## Project No: 72123410 PV U1

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 391 |
| 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 | 123,131 | 103,892 | 106,634 | 59,656,786 |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | (4,441,508) |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 |
| 914: Pension and Benefits | - | - | - | 139 |
| 915: Injuries and Damages | - | - | - | 12 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | 1,010 | 852 | 874 | 489,191 |
| 928: AFUDC Debt | 1,637 | 1,890 | 2,128 | 1,037,082 |
| 929: AFUDC Equity | 2,214 | 2,558 | 2,879 | 1,439,030 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | (28,691) | (54,789,507) |
| 825: Closing Cost of Removal | - | - | (1,080) | (2,364,007) |
| Project Net | 127,991 | 109,192 | 82,744 | 1,027,637 |

## Project No: 72123410 PV U1

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 391 | - | - | - | 391 | - | - | - |
| 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 | 59,656,786 | 171,883 | 93,537 | 118,196 | 60,040,402 | 152,639 | 490,756 | 599,809 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (4,441,508) | - | - | - | (4,441,508) | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | - | - | - | 27 | - | - | - |
| 914: Pension and Benefits | 139 | - | - | - | 139 | - | - | - |
| 915: Injuries and Damages | 12 | - | - | - | 12 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 489,191 | 1,409 | 767 | 969 | 492,337 | 1,252 | 4,024 | 4,918 |
| 928: AFUDC Debt | 1,037,082 | 2,376 | 2,675 | 2,918 | 1,045,052 | 2,871 | 3,569 | 4,744 |
| 929: AFUDC Equity | 1,439,030 | 3,214 | 3,619 | 3,948 | 1,449,811 | 4,530 | 5,630 | 7,484 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (54,789,507) | - | - | (133,670) | (54,923,177) | - | - | - |
| 825: Closing Cost of Removal | (2,364,007) | - | - | (4,982) | (2,368,989) | - | - | - |
| Project Net | 1,027,637 | 178,883 | 100,598 | (12,622) | 1,294,497 | 161,291 | 503,979 | 616,956 |

## Project No: 72123410 PV U1

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 391 |
| 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 | 839,510 | 329,680 | 136,292 | 206,215 | 189,830 | 173,497 | 63,158,630 |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | (4,441,508) |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 |
| 914: Pension and Benefits | - | - | - | - | - | - | 139 |
| 915: Injuries and Damages | - | - | - | - | - | - | 12 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,884 | 2,703 | 1,118 | 1,691 | 1,557 | 1,423 | 517,907 |
| 928: AFUDC Debt | 6,295 | 7,569 | 8,105 | 7,157 | 5,235 | 5,583 | 1,096,180 |
| 929: AFUDC Equity | 9,932 | 11,942 | 12,788 | 11,291 | 8,260 | 8,809 | 1,530,476 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (621,953) | (1,091,498) | (30,401) | - | (56,667,030) |
| 825: Closing Cost of Removal | - | - | (23,039) | (40,288) | (1,119) | - | (2,433,435) |
| Project Net | 862,621 | 351,894 | (486,690) | (905,432) | 173,361 | 189,312 | 2,761,790 |

## Project No: **72223410** **PV U2**

Company: 003 Bulk Power
Location: 722 Palo Verde Unit 2

**Project Information**

County % Maricopa (AZ) 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 12/31/2032

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) Unit 2.

**Project No:** **72223410** **PV U2**

| | |
|---|---|
| Project Need Justification | Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified. |

**Project No:** **72223410 PV U2**

Project Alternatives

Do nothing. PNM would violate its ownership contract obligations. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047.
The contract provides an alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

**Project No:** **72223410** **PV U2**

| | |
|---|---|
| Project Estimate Approach | Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21. |

**Project No:** **72223410** **PV U2**

| | |
|---|---|
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

| **Project No:** | **72223410 PV U2** |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **72223410** **PV U2**

| | |
|---|---|
| General Services | |
| Reliability & Resiliency | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Safety & Security | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Technology Advancements | |

## Project No: 72223410 PV U2

| | 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 | 71,217,537 | 105,123 | 55,524 | 115,974 | (30,904) | 67,094 | 170,038 | 71,700,386 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (1,164,558) | - | - | - | - | - | - | (1,164,558) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (306,718) | - | - | - | - | - | - | (306,718) |
| 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 | 583,984 | 862 | 455 | 951 | (253) | 550 | 1,394 | 587,943 |
| 928: AFUDC Debt | 1,389,619 | 17,264 | 17,245 | 17,525 | 17,709 | 17,840 | 18,197 | 1,495,399 |
| 929: AFUDC Equity | 1,852,008 | 18,399 | 18,379 | 18,677 | 18,874 | 19,013 | 19,393 | 1,964,744 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (63,564,017) | (116,487) | - | - | - | - | - | (63,680,504) |
| 825: Closing Cost of Removal | (2,008,388) | (16,964) | - | - | - | - | - | (2,025,352) |
| Project Net | 7,999,466 | 8,197 | 91,603 | 153,127 | 5,426 | 104,498 | 209,023 | 8,571,339 |

## Project No: 72223410 PV U2

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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 | 71,700,386 | 302,815 | 307,016 | 978,948 | 1,464,185 | 522,255 | 744,462 |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | (1,164,558) | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (306,718) | - | - | - | - | - | - |
| 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 | 587,943 | 2,483 | 2,518 | 8,027 | 12,006 | 4,282 | 6,105 |
| 928: AFUDC Debt | 1,495,399 | 16,978 | 17,060 | 17,863 | 20,427 | 22,493 | 23,892 |
| 929: AFUDC Equity | 1,964,744 | 22,969 | 23,080 | 24,166 | 27,634 | 30,430 | 32,322 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (63,680,504) | (280,190) | (263,885) | - | (22,037) | - | - |
| 825: Closing Cost of Removal | (2,025,352) | (38,836) | (36,115) | - | (2,853) | - | - |
| Project Net | 8,571,339 | 26,219 | 49,674 | 1,029,004 | 1,499,362 | 579,460 | 806,780 |

## Project No: 72223410 PV U2

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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 | 605,110 | 1,562,815 | 2,269,675 | 80,457,667 |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | (1,164,558) |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | (306,718) |
| 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 | 4,962 | 12,815 | 18,611 | 659,753 |
| 928: AFUDC Debt | 25,381 | 27,706 | 31,726 | 1,698,926 |
| 929: AFUDC Equity | 34,337 | 37,482 | 42,921 | 2,240,083 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (64,246,616) |
| 825: Closing Cost of Removal | - | - | - | (2,103,156) |
| Project Net | 669,790 | 1,640,819 | 2,362,934 | 17,235,381 |

## Project No: 72223410 PV U2

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 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 | 80,457,667 | 4,058,810 | 1,440,775 | 486,481 | 86,443,733 | 233,675 | 296,967 | 441,252 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (1,164,558) | - | - | - | (1,164,558) | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (306,718) | - | - | - | (306,718) | - | - | - |
| 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 | 659,753 | 33,282 | 11,814 | 3,989 | 708,839 | 1,916 | 2,435 | 3,618 |
| 928: AFUDC Debt | 1,698,926 | 38,291 | 44,053 | 46,059 | 1,827,329 | 26,591 | 24,803 | 25,674 |
| 929: AFUDC Equity | 2,240,083 | 51,802 | 59,596 | 62,310 | 2,413,791 | 41,953 | 39,131 | 40,506 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (64,246,616) | - | (77,863) | (8,946,541) | (73,271,020) | (1,129,546) | - | - |
| 825: Closing Cost of Removal | (2,103,156) | - | (9,059) | (1,034,243) | (3,146,458) | (129,734) | - | - |
| Project Net | 17,235,381 | 4,182,186 | 1,469,316 | (9,381,946) | 13,504,936 | (955,146) | 363,336 | 511,050 |

## Project No: 72223410 PV U2

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 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 | 242,343 | 306,737 | 373,716 | 362,765 | 296,439 | 374,244 | 89,371,871 |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | (1,164,558) |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | (306,718) |
| 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 | 1,987 | 2,515 | 3,064 | 2,975 | 2,431 | 3,069 | 732,849 |
| 928: AFUDC Debt | 26,496 | 21,726 | 22,523 | 23,380 | 24,165 | 20,730 | 2,043,415 |
| 929: AFUDC Equity | 41,803 | 34,278 | 35,535 | 36,886 | 38,125 | 32,705 | 2,754,711 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,504,449) | - | - | - | (1,941,874) | - | (78,846,890) |
| 825: Closing Cost of Removal | (282,028) | - | - | - | (213,410) | - | (3,771,630) |
| Project Net | (2,473,848) | 365,256 | 434,838 | 426,006 | (1,794,125) | 430,747 | 10,813,050 |

## Project No: 72323410 PV U3

Company: 003 Bulk Power
Location: 723 Palo Verde Unit 3

**Project Information**

County % Maricopa (AZ) 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 12/31/2032

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) Unit 3.

**Project No:** **72323410** **PV U3**

| | |
|---|---|
| Project Need Justification | Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified. |

**Project No:** **72323410 PV U3**

Project Alternatives

Do nothing. PNM would violate its ownership contract obligations. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047.
The contract provides an alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

**Project No:** **72323410** **PV U3**

| | |
|---|---|
| Project Estimate Approach | Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21. |

**Project No:** **72323410** **PV U3**

| | |
|---|---|
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

| **Project No:** | **72323410 PV U3** |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **72323410** **PV U3**

| | |
|---|---|
| General Services | |
| Reliability & Resiliency | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Safety & Security | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Technology Advancements | |

## Project No: 72323410 PV U3

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 13,343 | - | - | - | - | - | - | 13,343 |
| 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 | 85,432,376 | 293,313 | 173,631 | 312,748 | 286,738 | 210,786 | 382,557 | 87,092,149 |
| 426: Capitalized Interest | 1,469,034 | - | - | - | - | - | - | 1,469,034 |
| 610: Expenses - General | (496,468) | - | - | - | - | - | - | (496,468) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 888 | - | - | - | - | - | - | 888 |
| 914: Pension and Benefits | 4,000 | - | - | - | - | - | - | 4,000 |
| 915: Injuries and Damages | 339 | - | - | - | - | - | - | 339 |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 700,584 | 2,405 | 1,424 | 2,565 | 2,351 | 1,728 | 3,137 | 714,194 |
| 928: AFUDC Debt | 549,329 | 10,305 | 8,562 | 8,017 | 7,611 | 8,254 | 9,016 | 601,095 |
| 929: AFUDC Equity | 738,629 | 10,982 | 9,125 | 8,545 | 8,112 | 8,797 | 9,609 | 793,798 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (84,043,770) | (952,954) | (475,683) | (474,092) | - | - | - | (85,946,499) |
| 825: Closing Cost of Removal | (368,411) | 3,091 | 895 | (255) | - | - | - | (364,680) |
| Project Net | 3,999,872 | (632,858) | (282,046) | (142,473) | 304,813 | 229,565 | 404,318 | 3,881,192 |

## Project No: 72323410 PV U3

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 13,343 | - | - | - | - | - | - |
| 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 | 87,092,149 | 416,072 | 598,631 | 1,739,667 | 2,844,809 | 668,260 | 450,867 |
| 426: Capitalized Interest | 1,469,034 | - | - | - | - | - | - |
| 610: Expenses - General | (496,468) | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 888 | - | - | - | - | - | - |
| 914: Pension and Benefits | 4,000 | - | - | - | - | - | - |
| 915: Injuries and Damages | 339 | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 714,194 | 3,412 | 4,909 | 14,265 | 23,327 | 5,480 | 3,697 |
| 928: AFUDC Debt | 601,095 | 9,049 | 9,621 | 12,231 | 17,258 | 21,194 | 22,325 |
| 929: AFUDC Equity | 793,798 | 12,242 | 13,016 | 16,546 | 23,347 | 28,672 | 30,203 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (85,946,499) | (262,695) | - | (24,658) | - | (91,608) | (2,820,345) |
| 825: Closing Cost of Removal | (364,680) | (2,037) | - | (341) | - | (1,608) | (50,121) |
| Project Net | 3,881,192 | 176,043 | 626,177 | 1,757,710 | 2,908,742 | 630,389 | (2,363,374) |

## Project No: 72323410 PV U3

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 13,343 |
| 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 | 245,836 | 222,297 | 229,029 | 94,507,617 |
| 426: Capitalized Interest | - | - | - | 1,469,034 |
| 610: Expenses - General | - | - | - | (496,468) |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 888 |
| 914: Pension and Benefits | - | - | - | 4,000 |
| 915: Injuries and Damages | - | - | - | 339 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | 2,016 | 1,823 | 1,878 | 775,000 |
| 928: AFUDC Debt | 16,922 | 10,952 | 11,418 | 732,065 |
| 929: AFUDC Equity | 22,893 | 14,816 | 15,446 | 970,979 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (2,950,392) | (38,195) | - | (92,134,392) |
| 825: Closing Cost of Removal | (52,809) | (692) | - | (472,288) |
| Project Net | (2,715,533) | 211,000 | 257,771 | 5,370,117 |

## Project No: 72323410 PV U3

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 13,343 | - | - | - | 13,343 | - | - | - |
| 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 | 94,507,617 | 173,090 | 182,258 | 379,587 | 95,242,552 | 208,583 | 203,127 | 511,536 |
| 426: Capitalized Interest | 1,469,034 | - | - | - | 1,469,034 | - | - | - |
| 610: Expenses - General | (496,468) | - | - | - | (496,468) | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 888 | - | - | - | 888 | - | - | - |
| 914: Pension and Benefits | 4,000 | - | - | - | 4,000 | - | - | - |
| 915: Injuries and Damages | 339 | - | - | - | 339 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 775,000 | 1,419 | 1,495 | 3,113 | 781,027 | 1,710 | 1,666 | 4,195 |
| 928: AFUDC Debt | 732,065 | 11,918 | 12,369 | 13,049 | 769,400 | 8,271 | 8,760 | 9,576 |
| 929: AFUDC Equity | 970,979 | 16,123 | 16,733 | 17,653 | 1,021,488 | 13,050 | 13,820 | 15,108 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (92,134,392) | - | - | (2,390,632) | (94,525,024) | - | - | - |
| 825: Closing Cost of Removal | (472,288) | - | - | (44,966) | (517,255) | - | - | - |
| Project Net | 5,370,117 | 202,550 | 212,855 | (2,022,197) | 3,763,324 | 231,615 | 227,373 | 540,415 |

## Project No: 72323410 PV U3

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 13,343 |
| 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 | 248,769 | 329,381 | 515,114 | 574,517 | 1,881,213 | 2,196,806 | 101,911,598 |
| 426: Capitalized Interest | - | - | - | - | - | - | 1,469,034 |
| 610: Expenses - General | - | - | - | - | - | - | (496,468) |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 888 |
| 914: Pension and Benefits | - | - | - | - | - | - | 4,000 |
| 915: Injuries and Damages | - | - | - | - | - | - | 339 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,040 | 2,701 | 4,224 | 4,711 | 15,426 | 18,014 | 835,713 |
| 928: AFUDC Debt | 10,446 | 11,125 | 11,951 | 13,048 | 15,757 | 20,133 | 878,467 |
| 929: AFUDC Equity | 16,480 | 17,552 | 18,855 | 20,586 | 24,859 | 31,765 | 1,193,563 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (65,467) | (63,788) | - | (40,240) | - | (94,694,519) |
| 825: Closing Cost of Removal | - | (1,312) | (1,298) | - | (864) | - | (520,729) |
| Project Net | 277,735 | 293,980 | 485,057 | 612,862 | 1,896,150 | 2,266,718 | 10,595,228 |

## Project No: 72423410 PV common

Company: 003 Bulk Power
Location: 724 Palo Verde Common All Units

**Project Information**

County % Maricopa (AZ) 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 12/31/2032

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at the Palo Verde Nuclear Generating Station (PVNGS) common facilities.

**Project No:** **72423410** **PV common**

| | |
|---|---|
| Project Need Justification | Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified. |

**Project No:** **72423410** **PV common**

| | |
|---|---|
| Project Alternatives | Do nothing. PNM would violate its ownership contract obligations. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047.<br>The contract provides an alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project. |

**Project No:** **72423410** **PV common**

| | |
|---|---|
| Project Estimate Approach | Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21. |

**Project No:** **72423410** **PV common**

| | |
|---|---|
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

## Project No: 72423410 PV common

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **72423410** **PV common**

General Services

Reliability & Resiliency

This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Safety & Security

This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Technology Advancements

## Project No: 72423410 PV common

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 570 | - | - | - | - | - | - | 570 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 70,272,791 | 503,072 | 460,811 | 504,682 | 318,766 | 272,413 | 256,092 | 72,588,627 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (3,822,455) | - | - | - | - | - | - | (3,822,455) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (1,417,064) | - | - | - | - | - | - | (1,417,064) |
| 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 | - | - | - | - | - | - | 4 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 576,242 | 4,125 | 3,779 | 4,138 | 2,614 | 2,234 | 2,100 | 595,232 |
| 928: AFUDC Debt | 3,094,665 | 32,661 | 33,898 | 34,538 | 35,448 | 32,272 | 32,500 | 3,295,981 |
| 929: AFUDC Equity | 3,910,176 | 34,808 | 36,127 | 36,809 | 37,779 | 34,394 | 34,637 | 4,124,730 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (58,097,133) | (39,589) | (285,832) | (107,026) | (1,653,108) | (234,029) | (83,151) | (60,499,868) |
| 825: Closing Cost of Removal | (600,376) | (2,688) | (18,915) | (6,896) | (104,593) | (14,554) | (5,087) | (753,108) |
| Project Net | 13,917,420 | 532,390 | 229,868 | 466,244 | (1,363,094) | 92,729 | 237,091 | 14,112,648 |

## Project No: 72423410 PV common

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 570 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 72,588,627 | 472,784 | 472,793 | 812,773 | 620,014 | 701,395 | 1,073,839 |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | (3,822,455) | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (1,417,064) | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 595,232 | 3,877 | 3,877 | 6,665 | 5,084 | 5,751 | 8,805 |
| 928: AFUDC Debt | 3,295,981 | 30,082 | 29,661 | 30,577 | 32,305 | 33,840 | 35,765 |
| 929: AFUDC Equity | 4,124,730 | 40,696 | 40,127 | 41,366 | 43,703 | 45,780 | 48,384 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (60,499,868) | (725,128) | (290,378) | - | (35,819) | (87,508) | - |
| 825: Closing Cost of Removal | (753,108) | (43,264) | (16,897) | - | (1,952) | (4,633) | - |
| Project Net | 14,112,648 | (220,953) | 239,183 | 891,382 | 663,335 | 694,626 | 1,166,793 |

**Project No:** **72423410** **PV common**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 570 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 692,507 | 687,982 | 675,520 | 78,798,234 |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | (3,822,455) |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | (1,417,064) |
| 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 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | - |
| 926: A&G Loads | 5,679 | 5,641 | 5,539 | 646,150 |
| 928: AFUDC Debt | 37,884 | 39,521 | 39,587 | 3,605,204 |
| 929: AFUDC Equity | 51,252 | 53,466 | 53,554 | 4,543,058 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (32,390) | (734,265) | (110,414) | (62,515,770) |
| 825: Closing Cost of Removal | (1,609) | (35,620) | (5,236) | (862,319) |
| Project Net | 753,323 | 16,725 | 658,551 | 18,975,612 |

## Project No: 72423410 PV common

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 570 | - | - | - | 570 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 78,798,234 | 556,888 | 514,599 | 594,202 | 80,463,923 | 578,522 | 919,675 | 1,495,226 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (3,822,455) | - | - | - | (3,822,455) | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (1,417,064) | - | - | - | (1,417,064) | - | - | - |
| 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 | - | - | - | 4 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 646,150 | 4,566 | 4,220 | 4,872 | 659,809 | 4,744 | 7,541 | 12,261 |
| 928: AFUDC Debt | 3,605,204 | 40,896 | 40,883 | 42,037 | 3,729,021 | 30,993 | 32,143 | 34,281 |
| 929: AFUDC Equity | 4,543,058 | 55,326 | 55,308 | 56,869 | 4,710,562 | 48,897 | 50,712 | 54,085 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (62,515,770) | (629,245) | (122,919) | (5,362,378) | (68,630,313) | (289,207) | (290,412) | (57,609) |
| 825: Closing Cost of Removal | (862,319) | (29,279) | (5,620) | (240,589) | (1,137,807) | (12,684) | (12,349) | (2,349) |
| Project Net | 18,975,612 | (846) | 486,471 | (4,904,987) | 14,556,250 | 361,264 | 707,311 | 1,535,894 |

## Project No: 72423410 PV common

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 570 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 733,389 | 863,131 | 936,117 | 1,490,139 | 967,613 | 829,915 | 89,277,650 |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | (3,822,455) |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | (1,417,064) |
| 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 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,014 | 7,078 | 7,676 | 12,219 | 7,934 | 6,805 | 732,082 |
| 928: AFUDC Debt | 36,738 | 38,657 | 40,804 | 43,636 | 45,928 | 47,923 | 4,080,123 |
| 929: AFUDC Equity | 57,962 | 60,989 | 64,377 | 68,845 | 72,461 | 75,608 | 5,264,499 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (270,013) | (87,841) | (72,828) | (69,698,223) |
| 825: Closing Cost of Removal | - | - | - | (9,999) | (3,190) | (2,601) | (1,180,979) |
| Project Net | 834,103 | 969,855 | 1,048,974 | 1,334,826 | 1,002,906 | 884,822 | 23,236,206 |

## Project No: 72523410 PV water reclamation

Company: 003 Bulk Power
Location: 725 Palo Verde Wtr Rec Facility

**Project Information**

County % Maricopa (AZ) 100%

Estimated Start Date 2/1/2010

Estimated Completion Date 12/31/2032

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) water reclamation facilities.

## Project No: 72523410 PV water reclamation

| | |
|---|---|
| Project Need Justification | Palo Verde completes capital projects annually to maintain the facility's compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified. |

**Project No:** **72523410** **PV water reclamation**

Project Alternatives

Do nothing. PNM would violate its ownership contract obligations. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047.
The contract provides an alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

## Project No: 72523410 PV water reclamation

| | |
|---|---|
| Project Estimate Approach | Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21. |

**Project No:** **72523410** **PV water reclamation**

| | |
|---|---|
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

**Project No:** **72523410** **PV water reclamation**

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **72523410** **PV water reclamation**

General Services

Reliability & Resiliency

This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Safety & Security

This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Technology Advancements

## Project No: 72523410 PV water reclamation

| | 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 | 39,091,489 | 195,295 | 256,736 | 345,358 | 316,209 | 331,524 | 420,159 | 40,956,770 |
| 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 | 320,550 | 1,601 | 2,105 | 2,832 | 2,593 | 2,719 | 3,445 | 335,845 |
| 928: AFUDC Debt | 785,060 | 5,520 | 6,028 | 6,726 | 7,494 | 8,250 | 9,112 | 828,190 |
| 929: AFUDC Equity | 1,073,195 | 5,883 | 6,425 | 7,168 | 7,986 | 8,792 | 9,711 | 1,119,161 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (36,553,112) | (8,527) | (130) | - | - | (5,089) | (20,015) | (36,586,875) |
| 825: Closing Cost of Removal | (960,053) | (5,934) | (84) | - | - | (2,548) | (9,239) | (977,857) |
| Project Net | 3,757,128 | 193,839 | 271,081 | 362,084 | 334,282 | 343,647 | 413,173 | 5,675,234 |

## Project No: 72523410 PV water reclamation

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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 | 40,956,770 | 195,742 | 246,096 | 432,259 | 681,482 | 368,880 | 376,232 |
| 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 | 335,845 | 1,605 | 2,018 | 3,545 | 5,588 | 3,025 | 3,085 |
| 928: AFUDC Debt | 828,190 | 8,834 | 8,740 | 9,136 | 10,297 | 11,401 | 12,149 |
| 929: AFUDC Equity | 1,119,161 | 11,950 | 11,823 | 12,359 | 13,930 | 15,424 | 16,436 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (36,586,875) | (261,632) | (147,339) | - | - | (25,425) | (19,988) |
| 825: Closing Cost of Removal | (977,857) | (116,319) | (62,584) | - | - | (8,723) | (6,559) |
| Project Net | 5,675,234 | (159,820) | 58,753 | 457,298 | 711,297 | 364,582 | 381,355 |

**Project No:** **72523410** **PV water reclamation**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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 | 319,050 | 246,847 | 397,285 | 44,220,643 |
| 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 | 2,616 | 2,024 | 3,258 | 362,609 |
| 928: AFUDC Debt | 12,863 | 12,399 | 13,062 | 927,071 |
| 929: AFUDC Equity | 17,402 | 16,774 | 17,670 | 1,252,930 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (493,239) | (20,872) | - | (37,555,370) |
| 825: Closing Cost of Removal | (156,138) | (6,416) | - | (1,334,596) |
| Project Net | (297,445) | 250,757 | 431,275 | 7,873,287 |

## Project No: 72523410 PV water reclamation

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 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 | 44,220,643 | 449,040 | 332,000 | 440,572 | 45,442,255 | 302,837 | 414,129 | 574,437 |
| 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 | 362,609 | 3,682 | 2,722 | 3,613 | 372,626 | 2,483 | 3,396 | 4,710 |
| 928: AFUDC Debt | 927,071 | 13,976 | 14,830 | 15,680 | 971,557 | 14,194 | 14,977 | 16,030 |
| 929: AFUDC Equity | 1,252,930 | 18,908 | 20,063 | 21,213 | 1,313,113 | 22,394 | 23,629 | 25,291 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (37,555,370) | - | - | (911,189) | (38,466,559) | - | - | - |
| 825: Closing Cost of Removal | (1,334,596) | - | - | (241,125) | (1,575,721) | - | - | - |
| Project Net | 7,873,287 | 485,606 | 369,616 | (671,236) | 8,057,272 | 341,909 | 456,131 | 620,468 |

## Project No: 72523410 PV water reclamation

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 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 | 720,264 | 612,068 | 554,978 | 460,477 | 395,761 | 532,620 | 50,009,826 |
| 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 | 5,906 | 5,019 | 4,551 | 3,776 | 3,245 | 4,367 | 410,080 |
| 928: AFUDC Debt | 17,389 | 18,793 | 19,995 | 20,829 | 21,771 | 22,804 | 1,138,339 |
| 929: AFUDC Equity | 27,435 | 29,650 | 31,546 | 32,861 | 34,349 | 35,978 | 1,576,246 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (21,670) | (125,746) | (6,252) | - | - | (38,620,227) |
| 825: Closing Cost of Removal | - | (4,784) | (26,957) | (1,309) | - | - | (1,608,771) |
| Project Net | 770,994 | 639,075 | 458,367 | 510,382 | 455,126 | 595,769 | 12,905,494 |

## Project No: 74416027 Luna Capital Planned Outage 2027

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

This project is for capital replacements to be made during the planned outages at Luna Energy Facility (LEF) in 2027. The following work will be done based on the results of prescribed scheduled inspections based on gas turbine operating hours and fired starts.

CBI 27-01: Overhaul of Unit 1 boiler feed pump B with motor and modify suction piping
CBI 27-02: Overhaul Unit 2 boiler feed pump B with motor and modify suction piping
CBI 27-03: Purchase Heat Recovery Steam Generator (HRSG) 1 Select Catalytic Reduction (SCR) Catalyst Phase 1 Purchase Unit 1 (Purchase and Storage). This is to purchase a portion of the SCR needing to be replaced due to age and will be installed during 2029 plant outage.
CBI 27-04: Purchase Heat Recovery Steam Generator (HRSG) 2 Select Catalytic Reduction (SCR) Catalyst Phase 1 Purchase Unit 2 (Purchase and Storage). This is to purchase a portion of the SCR needing to be replaced due to age and will be installed during 2029 plant outage.

## Project No: 74416027 Luna Capital Planned Outage 2027

| | |
|---|---|
| Project Need Justification | In order to ensure reliable and efficient operation for years to come, periodic gas turbine major maintenance is required on prescribed schedule based on gas turbine operating hours and fired starts. The work identified for this project is required based on this schedule. If this maintenance is not completed, the turbines would not be fit for operation. For CBI 27-03 and 27-04, the projects purchase a portion of the Select Catalytic Reduction (SCR) catalyst which is scheduled to be replace during the 2029 plant outage. |

**Project No:** **74416027** **Luna Capital Planned Outage 2027**

| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing. This is not a feasible option as these repairs are required based on inspections and are needed to ensure the safe and reliable operation of this plant. |

**Project No:** **74416027** **Luna Capital Planned Outage 2027**

| | |
|---|---|
| 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:** **74416027** **Luna Capital Planned Outage 2027**

| | |
|---|---|
| Customer Benefit | Customer will benefit from the safe, reliable, and cost-effective management of PNM's power generation assets. |

**Project No:** **74416027** **Luna Capital Planned Outage 2027**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **74416027** **Luna Capital Planned Outage 2027**

General Services

Reliability & Resiliency

This project reduces the risk of catastrophic failure of the combustion turbine or steam generator. Catastrophic failure would result in extensive down time and cost.

Safety & Security

This project reduces the risk of catastrophic failure of the combustion turbine or steam generator. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine or steam generator.

Technology Advancements

## Project No: 74416027 Luna Capital Planned Outage 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: 74416027 Luna Capital Planned Outage 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 758,500 | 72,000 | 420,000 | - | 360,000 |
| 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 | - | - | (505,616) | (47,995) | (279,972) | - | (239,976) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | 50,516 | 4,795 | 27,972 | - | 23,976 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | 303 | 636 | 836 | 544 | 691 |
| 929: AFUDC Equity | - | - | 410 | 861 | 1,132 | 736 | 934 |
| 961: Luna A&G PNMR D&V | - | - | 10,012 | 950 | 5,544 | - | 4,752 |
| 825: Closing Addition | - | - | - | - | (208,843) | - | - |
| 825: Closing Cost of Removal | - | - | - | - | (31,158) | - | - |
| Project Net | - | - | 314,125 | 31,248 | (64,488) | 1,280 | 150,377 |

**Project No:** **74416027** **Luna Capital Planned Outage 2027**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | 50,000 | 1,660,500 |
| 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 | - | - | (33,330) | (1,106,889) |
| 913: Payroll Taxes | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | 3,330 | 110,589 |
| 926: A&G Loads | - | - | - | - |
| 928: AFUDC Debt | 838 | 842 | 867 | 5,558 |
| 929: AFUDC Equity | 1,134 | 1,140 | 1,173 | 7,519 |
| 961: Luna A&G PNMR D&V | - | - | 660 | 21,919 |
| 825: Closing Addition | - | - | - | (208,843) |
| 825: Closing Cost of Removal | - | - | - | (31,158) |
| Project Net | 1,972 | 1,982 | 22,699 | 459,195 |

## Project No: 74416027 Luna Capital Planned Outage 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 | 1,660,500 | 200,000 | - | - | 1,860,500 | - | - | - |
| 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 | (1,106,889) | (133,320) | - | - | (1,240,209) | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 110,589 | 13,320 | - | - | 123,909 | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 5,558 | 971 | - | - | 6,529 | - | - | - |
| 929: AFUDC Equity | 7,519 | 1,314 | - | - | 8,832 | - | - | - |
| 961: Luna A&G PNMR D&V | 21,919 | 2,640 | - | - | 24,559 | - | - | - |
| 825: Closing Addition | (208,843) | (474,668) | - | - | (683,510) | - | - | - |
| 825: Closing Cost of Removal | (31,158) | (69,452) | - | - | (100,610) | - | - | - |
| Project Net | 459,195 | (459,195) | - | - | 0 | - | - | - |

## Project No: 74416027 Luna Capital Planned Outage 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,860,500 |
| 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 | - | - | - | - | - | - | (1,240,209) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 123,909 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | 6,529 |
| 929: AFUDC Equity | - | - | - | - | - | - | 8,832 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 24,559 |
| 825: Closing Addition | - | - | - | - | - | - | (683,510) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (100,610) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 74416028 Luna Capital Improvements 2028

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2028

Estimated Completion Date 11/30/2028

Description

This is an annual project to cover the emergent replacement of smaller capital assets at Luna Generating Station (GS) in 2028. Covered work orders within this project are typically to replace assets essential to maintain and the ensure ongoing safe, compliant, efficient and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

CBI 28-04: This specific project will be to replace pump and motor on a water well serving the plant, and replace any compromised discharge piping, including labor to bail and flush the well to ensure the casing screens are free from pluggage to ensure optimal long-term performance and reliability. While the assembly is out, the well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a severe duty underground 200ft+ pump that runs 24/7 delivering water to the plant.

CBI 28-05: This specific project will be to replace pump and motor on a second water well serving the plant, and replace any compromised discharge piping, including labor to bail and flush the well to ensure the casing screens are free from pluggage to ensure optimal long-term performance and reliability. While the assembly is out, the well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a severe duty underground 200ft+ pump that runs 24/7 delivering water to the plant.

CBI 28-06: This specific project will be to replace pump and motor on a third water well serving the plant, and replace any compromised discharge piping, including labor to bail and flush the well to ensure the casing screens are free from pluggage to ensure optimal long-term performance and reliability. While the assembly is out, the well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a severe duty underground 200ft+ pump that runs 24/7 delivering water to the plant.

CBI 28-07: This specific project will be to replace pump and motor on a fourth water well serving the plant, and replace any compromised discharge piping, including labor to bail and flush the well to ensure the casing screens are free from pluggage to

**Project No:** **74416028 Luna Capital Improvements 2028**

ensure optimal long-term performance and reliability. While the assembly is out, the well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a severe duty underground 200ft + pump that runs 24/7 delivering water to the plant.

CBI 28-08: The continued replacement of HVAC units located around the plant. This project will replace six HVAC units that maintain temperatures in plant compartments with temperature sensitive equipment. There are 36 HVAC units around the plant that maintain temperatures in the computer and electrical equipment rooms that control plant operation.

CBI 28-09: Chiller module 1: Replace existing walls and roof panels on chiller building, seal roof, add gutters to building, extend building slab and add 6" concrete curb to control and direct water, remove and replace coating on chemical skid floor and containment area

CBI 28-10: "Luna 2028 - Chiller Module 2:  Replace existing walls and roof panels on chiller building, seal roof, add gutters to building, extend building slab and add 6" concrete curb to control and direct water, remove and replace coating on chemical skid floor and containment area

CBI 28-11: Luna 2028/29 - Purchase new parts for Gas Turbine 1 and conduct hot path inspection

CBI 28-12: Luna 2028 - Replace Closed Cooling  Water B Pump and Motor

CBI 28-13: Luna 2028 -Replace Cooling Tower Fill and renew coating in main cooling tower

## Project No: 74416028 Luna Capital Improvements 2028

Project Need Justification

Failing to replace a failed or faulty asset could jeopardize the operability, reliability, or safe maintenance of the plant. Details on the justification for each scope of work are outlined below.
CBI 28-08: There are 36 HVAC units around the plant that maintain temperatures in the computer and electrical equipment rooms that control plant operation. A failure of one of these units leads to high temperatures in the main computer room compartments that would result in overheating and failures of critical control computers and programmable logic controllers. This will lead to a Plant trip or shutdown and lost generation. These units have been in service since the plant commissioning.

CBI 28-09: Chiller Module 1: Existing walls and roof panels have been damaged by continuous falling condensate from the exterior of the chilled water piping system and equipment. The plan is to replace the roof and wall modular panels. The new roof will be sealed, and a new gutter system will be installed to funnel the falling water to the building containment. The existing concrete slab will be extended around the entire building and a 6" concrete berm added to contain the falling water and divert it to the plant's oily water sump. The existing chemical injection skid containing acid resistant coating is cracked and peeling there are large areas of exposed concrete. All of the existing coating will be removed and replaced with a new chemical resistant coating. The building is original to the plant, placed in service in 2005 and the original construction did not address the falling condensate and the damage it would cause.

CBI 28-10: Chiller Module 2: Existing walls and roof panels have been damaged by continuous falling condensate from the exterior of the chilled water piping system and equipment. The plan is to replace the roof and wall modular panels. The new roof will be sealed, and a new gutter system will be installed to funnel the falling water to the building containment. The existing concrete slab will be extended around the entire building and a 6" concrete berm added to contain the falling water and divert it to the plant's oily water sump. The existing chemical injection skid containing acid resistant coating is cracked and peeling there are large areas of exposed concrete. All of the existing coating will be removed and replaced with a new chemical resistant coating. The building is original to the plant, placed in service in 2005 and the original construction did not address the falling condensate and the damage it would cause.

CBI 28-12: The pump has been in operation for over 20 years. It is a critical component of the power plant's condensate system, responsible for transferring large volumes of condensed water from the steam cycle and returning it to the Heat Recovery Steam Generator. Without this pump the Steam Turbine is unable to produce power.

CBI 28-13: During the last project to replace the cooling tower structure in the main cooling tower it was identified that the fill was loaded with contamination/dirt. Once the fill is clogged it cannot be cleaned out and the associated water distribution lowers the efficiency of the tower. There is also the added weight of the contamination that could cause a structure failure in one of more cells. The existing fill was installed in 2014 and cooling tower and fill manufacturers recommend that fill be replaced every 6 to 8 years.

## Project No: 74416028 Luna Capital Improvements 2028

Project Alternatives

The alternative to replacing the failed or faulty asset would mean doing nothing which could jeopardize the operability, reliability, or safe maintenance of the plant. The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance of the plant.

## Project No: 74416028 Luna Capital Improvements 2028

| | |
|---|---|
| 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:** **74416028** **Luna Capital Improvements 2028**

| | |
|---|---|
| Customer Benefit | PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant. |

## Project No: 74416028 Luna Capital Improvements 2028

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The project covers the replacement of essential capital assets (like North American Electric Reliability Corporation [NERC] physical security) that ensure compliant operation of the plant. This project covers the replacement of essential capital assets (Selective Catalytic Reduction Systems) that ensure environmentally compliant operation of the plant. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **74416028** **Luna Capital Improvements 2028**

General Services

Reliability & Resiliency — This project covers the replacement of essential capital assets that ensure the reliable operation of the plant.

Safety & Security — This project covers the replacement of essential capital assets that ensure the safe operation of the plant.

Technology Advancements

## Project No: 74416028 Luna Capital Improvements 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: 74416028 Luna Capital Improvements 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **74416028** **Luna Capital Improvements 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 74416028 Luna Capital Improvements 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 | - | - | - | - | - | - | 727,000 | - |
| 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 | - | - | - | - | - | - | (484,618) | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 48,418 | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | 285 | 571 |
| 929: AFUDC Equity | - | - | - | - | - | - | 449 | 901 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 9,596 | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 301,130 | 1,472 |

## Project No: 74416028 Luna Capital Improvements 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 264,000 | 280,000 | - | - | 140,000 | - | 1,411,000 |
| 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 | (175,982) | (186,648) | - | - | (93,324) | - | (940,573) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 17,582 | 18,648 | - | - | 9,324 | - | 93,973 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 678 | 805 | - | - | 55 | 69 | 2,463 |
| 929: AFUDC Equity | 1,069 | 1,270 | - | - | 87 | 109 | 3,886 |
| 961: Luna A&G PNMR D&V | 3,485 | 3,696 | - | - | 1,848 | - | 18,625 |
| 825: Closing Addition | (41,035) | (421,440) | - | - | (18,683) | - | (481,157) |
| 825: Closing Cost of Removal | (6,111) | (62,620) | - | - | (2,805) | - | (71,537) |
| Project Net | 63,685 | (366,288) | - | - | 36,502 | 178 | 36,680 |

## Project No: 74416126 Luna Capital Improvements 2026

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2026

Description

This is an annual project to cover costs for the emergent replacement of smaller capital assets at Luna Generating Station (GS) in 2026. Covered work orders within this project are typically to replace assets (e.g., pumps, control system components, structural platforms, and spill-containment systems) necessary to maintain the ongoing safe, compliant, efficient and reliable operation of the plant. Specific work to be performed includes the following:

26-07 Luna 2026 -Replace fill in the main cooling tower (4 cells)
26-08 Luna 2026 - Well Replacements Q1
26-09 Luna 2026 - Well Replacements Q2
26-10 Luna 2026 - Well Replacements Q3
26-11 Luna 2026 - Well Replacements Q4
26-12 Luna 2026 - Cooling tower Gear Box
26-13 Luna 2026 - Replace 6 wall mounted HVAC units
26-16 Luna 2026 - Rebuild Circulating Water pump and motor
26-17 Luna 2026 - CEMS Analyzer Replacement Unit 1
26-18 Luna 2026 - CEMS Analyzer Replacement Unit 2
26-19 Luna 2026 - Replace Lube Oil GT1
26-20 Luna 2026 - Replace Lube Oil GT2
26-21 Luna 2026 - Replace Lube Oil ST3
26-22 Luna 2026 - Network All Well Pumps To The DCS

**Project No:** **74416126 Luna Capital Improvements 2026**

| | |
|---|---|
| Project Need Justification | The work described above is required replace equipment and systems that are either at or nearing the end of its useful life and necessary to operate the plant. This type of scheduled replacement of aging assets reduces the risk of an outage and safety risks due to an equipment failure. |

**Project No:** **74416126** **Luna Capital Improvements 2026**

| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing. This is not a feasible option as this work is needed to ensure the safe and reliable operation of this plant. |

## Project No: 74416126 Luna Capital Improvements 2026

| | |
|---|---|
| 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:** **74416126** **Luna Capital Improvements 2026**

| | |
|---|---|
| Customer Benefit | PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant. |

## Project No: 74416126 Luna Capital Improvements 2026

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The project covers the replacement of essential capital assets (like North American Electric Reliability Corporation [NERC] physical security) that ensure compliant operation of the plant. This project covers the replacement of essential capital assets (Selective Catalytic Reduction Systems) that ensure environmentally compliant operation of the plant. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **74416126** **Luna Capital Improvements 2026**

General Services

Reliability & Resiliency

This project covers the replacement of essential capital assets and systems (e.g., pumps, control systems, cooling pipes) that ensure the reliable operation of the plant.

Safety & Security

This project covers the replacement of essential capital assets and systems that ensure the safe operation of the plant.

Technology Advancements

## Project No: 74416126 Luna Capital Improvements 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,283,690 | - | 87,665 | - | 829,018 | 87,665 | - | 2,288,038 |
| 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 | (855,708) | - | (58,437) | - | (552,623) | (58,437) | - | (1,525,206) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | 5,838 | - | 55,213 | 5,838 | - | 66,890 |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 1,583 | 610 | 599 | 641 | 934 | 1,342 | - | 5,710 |
| 929: AFUDC Equity | 1,362 | 650 | 639 | 683 | 995 | 1,431 | - | 5,760 |
| 961: Luna A&G PNMR D&V | 16,945 | - | 1,157 | - | 10,943 | 1,157 | - | 30,202 |
| 825: Closing Addition | (94,991) | (21,429) | - | (31,716) | (731) | (563,058) | - | (711,924) |
| 825: Closing Cost of Removal | - | (9,050) | - | (12,227) | (184) | (138,008) | - | (159,469) |
| Project Net | 352,881 | (29,218) | 37,461 | (42,618) | 343,564 | (662,069) | - | - |

## Project No: 74416126 Luna Capital Improvements 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 2,288,038 | - | - | - | - | - | - |
| 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 | (1,525,206) | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 66,890 | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 5,710 | - | - | - | - | - | - |
| 929: AFUDC Equity | 5,760 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 30,202 | - | - | - | - | - | - |
| 825: Closing Addition | (711,924) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (159,469) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **74416126** **Luna Capital Improvements 2026**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 2,288,038 |
| 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 | - | - | - | (1,525,206) |
| 913: Payroll Taxes | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 66,890 |
| 926: A&G Loads | - | - | - | - |
| 928: AFUDC Debt | - | - | - | 5,710 |
| 929: AFUDC Equity | - | - | - | 5,760 |
| 961: Luna A&G PNMR D&V | - | - | - | 30,202 |
| 825: Closing Addition | - | - | - | (711,924) |
| 825: Closing Cost of Removal | - | - | - | (159,469) |
| Project Net | - | - | - | - |

## Project No: 74416126 Luna Capital Improvements 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 2,288,038 | - | - | - | 2,288,038 | - | - | - |
| 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 | (1,525,206) | - | - | - | (1,525,206) | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 66,890 | - | - | - | 66,890 | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 5,710 | - | - | - | 5,710 | - | - | - |
| 929: AFUDC Equity | 5,760 | - | - | - | 5,760 | - | - | - |
| 961: Luna A&G PNMR D&V | 30,202 | - | - | - | 30,202 | - | - | - |
| 825: Closing Addition | (711,924) | - | - | - | (711,924) | - | - | - |
| 825: Closing Cost of Removal | (159,469) | - | - | - | (159,469) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 74416126 Luna Capital Improvements 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 2,288,038 |
| 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 | - | - | - | - | - | - | (1,525,206) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 66,890 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | 5,710 |
| 929: AFUDC Equity | - | - | - | - | - | - | 5,760 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 30,202 |
| 825: Closing Addition | - | - | - | - | - | - | (711,924) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (159,469) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 74416127 Luna Capital Improvement 2027

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

This is an annual project to cover the emergent replacement of smaller capital assets at Luna Generating Station (LEF) in 2027. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems essential to the ongoing safe, compliant, efficient and reliable operation of the plant.

CBI 27-05: REPLACE WELL 207 Q1
CBI 27-06: REPLACE WELL 208 Q2
CBI 27-07: REPLACE WELL 222 Q3
CBI 27-08: REPLACE WELL 225 Q4
CBI 27-09: Multi-year Project - Luna 2025/2026/2027 - REPLACE FILL IN THE MAINT COOLING TOWER (2cells)
CBI 27-10: REPLACE Water Treatment HVAC
CBI 27-11: REPLACE ALL SCR (POLLUTION CONTROL DEVICE) INSTRUMENTATION.
CBI 27-12: REPLACE CONDENSATE PUMP AND MOTOR
CBI 27-13: REPLACE PLANT ROADS
CBI 27-14: ADD 2 NEW PLANT AIR COMPRESSORS
CBI 27-15: REPLACE LIME AND SODA ASH SILO BAGHOUSES
CBI 27-16: REPLACE PLANT HEAT TRACE
CBI 27-17: UPGRADE CLOSED COOLING WATER PUMP AND MOTOR ALPHA
CBI 27-18: Purchase New Company Vehicle (Ford Explorer)
CBI 27-19: REPLACE LIME AND SODA ASH FEEDERS
CBI 27-20: Replace all of the Gas Turbine Heating and Ventilation system dampers and CO2 actuators
CBI 27-21: Plant Insulation- HRSG
CBI 27-22: PURCHASE (2EA) NEW UTILITY VEHICLES
CBI 27-23: PLANT-WIDE ADD (6EA) 480 ELECTRICAL POWER OUTLETS FOR USE DURING FUTURE OUTAGES
CBI 27-24: Install New Staircase to access the Gas Turbine Inlets (2ea) and GT Generator Terminal Enclosure Filters (4ea).

## Project No: 74416127 Luna Capital Improvement 2027

Project Need Justification

The work to be performed under this project was identified through routine inspections of the plant that found equipment either at or near the end of its useful life. The scheduled replacement of these assets will reduce the risk of an outage and potential safety threats due to an equipment failure.

CBI 27-05: This specific project will be related to Well number 207. Pump and motor replacement, and replace any compromised discharge piping, and labor to bail and flush the well to ensure the casing screens are free from debris to ensure optimal long-term performance and reliability. While the assembly is out, the Well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a sever duty underground 200ft + pump that runs 24/7 delivering water to the plant.

CBI 27-06: This specific project will be related to Well number 208. Pump and motor replacement, and replace any compromised discharge piping, and labor to bail and flush the well to ensure the casing screens are free from debris to ensure optimal long-term performance and reliability. While the assembly is out, the Well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a sever duty underground 200ft + pump that runs 24/7 delivering water to the plant.

CBI 27-07: This specific project will be related to Well number 222. Pump and motor replacement, and replace any compromised discharge piping, and labor to bail and flush the well to ensure the casing screens are free from debris to ensure optimal long-term performance and reliability. While the assembly is out, the Well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a sever duty underground 200ft + pump that runs 24/7 delivering water to the plant.

CBI 27-08: This specific project will be related to Well number 225. Pump and motor replacement, and replace any compromised discharge piping, and labor to bail and flush the well to ensure the casing screens are free from debris to ensure optimal long-term performance and reliability. While the assembly is out, the Well casing will be video-inspected and cleaned as needed. Upgrades to add VFD controls will also be installed to increase the reliability of the well. This is a sever duty underground 200ft + pump that runs 24/7 delivering water to the plant.

CBI 27-09: This is a multi-year project (2025 to 2027) to remove and replace all the existing fill in the Main Cooling Tower. The 2027 portion of the project will replace the fill in two complete cells. Options for replacement fill will be considered to increase the overall efficiency of the tower. One considered option will be a hybrid fill pack of a layer of traditional film fill and several layers of splash fill. This design minimizes contamination build up and potential improvements to cooling efficiency. Minimizing contamination build up will also increase the longevity of the fill and tower structure. During the last project to replace the cooling tower structure in the Main Cooling Tower it was noticed that the fill was loaded up with contamination/dirt. Once the fill is clogged it cannot be cleaned out. Water distribution is affected and lowers the efficiency of the tower. There is also the added weight of the contamination that

**Project No:** **74416127 Luna Capital Improvement 2027**

could cause a structure failure in one of more cells. The existing fill was installed in 2014. Cooling tower and fill manufacturers recommend that fill be replaced every 6 to 8 years.

CBI 27-10: "Description: This project continues the replacement of HVAC units located around the plant. In 2027, two HVACs that maintain temperatures in the Water Treatment building will be replaced. These units maintain temperatures in the computer and electrical equipment rooms. A failure of one of these units leads to high temperatures that could result in overheating and failures of critical control computers and programmable logic controllers. This could lead to a Plant trip or shutdown and lost generation. These units have been in service since the plant commissioning. Due to their age, there has been an increase in maintenance costs. The plant has spent $26,557.20 on repairs for these specific units in the past year and this cost will increase year over year. Best alternative is outright replacement.

CBI 27-11: Replace the complete tower SCR pollution control instrumentation. To include all D/P indicators for aqueas ammonia, Air Ammonia flow control pressure gauges, pressure regulators, annubar flow elements, differential pressure transmitter, Senors temperature and flow, etc. Existing control devices are original and constantly exposed to the sun's ultraviolet rays, making damage imminent. All are obsolete, increasing the cost to fix them and longer wait times to have them back in service. this system working properly is necessary and vital for maintaining our Title V operating permit compliance.

CBI 27-12: This project will remove and replace the existing Condensate Pump and motor Alpha. The pump has been in operation for over 20 years It is a critical component of the power plant's condensate system, responsible for transferring large volumes of condensed water from the steam cycle and returning it to the Heat Recovery Steam Generator. Without this pump the Steam Turbine is unable to produce power.

CBI 27-13: Replace Plant Roads that access Admin office and equipment areas around the plant. Includes removal of the existing cracked asphalt surfaces, leveling, grading and preparation of road surface and installation of new asphalt. All of the plant roads are severely compromised by widening cracks that persistently continue to open around the plant site. This ongoing deterioration significantly raises safety concerns, as these cracks could eventually lead to structural failures or accidents if not addressed. Ensuring the integrity and safety of the surrounding infrastructure must be prioritized to prevent potential hazards and maintain a secure environment for personnel and operations.

CBI 27-14: Both plant compressors are original to the plant and have over 20 years of service. Most parts have become obsolete, and others are hard to obtain, resulting in high maintenance costs. New compressors will provide plant reliability, efficiency, and accessible parts for maintenance, enabling continued operations without outages. Failure of the air compressors can result in a unit derating, reducing power output and operational efficiency. In the event of a breakdown, repair costs and lead times for replacement parts would be substantial, potentially leading to outages. Unplanned downtime not only impacts revenue but also

**Project No:** **74416127 Luna Capital Improvement 2027**

increases strain on other plant systems and staff. Proactively replacing the compressors mitigates these risks, ensures reliable performance, and supports long-term asset integrity. This investment is essential to maintaining stable operations and avoiding costly disruption. The alternative to proactively replacing the plant air compressor is running it to failure, increased maintenance repair costs and the risk of eventual failure, leading to plant derates and forced outages.

CBI 27-15: This project will replace the lime and soda ash silo baghouses with more durable and reliable systems to ensure safety and longevity. There are two each of Lime and Soda Ash Silos on the plant, the top of these silos have baghouses to capture any vented particulates. These Baghouses are original and failing because of material decay over 25 years of operation and need to be replaced. The replacement will include complete removal of the deteriorated original unit and replacement with new units suitable for the capacity and size of the silos". By not actively replacing the lime and soda ash silo baghouse (""do-nothing"" scenario), we risk potential discharge of particulate to atmospheres and the associated health and environmental hazards.

CBI 27-16: The heat trace control panels consist of 10 runs for each system on the Heat Recovery Steam Generator and Steam Turbine. This system has been in operation for over 20 years, and failures are occurring more and more frequently. Original components are no longer available or stocked by vendors. This project will target a complete replacement of the failing system with new runs and modern serviceable equipment. Replacing the vintaged heat trace components ensures continued safety, improved reliability, energy efficiency and ensures compliance with NERC Standard EOP-012-2 R3. Applicable to generating unit(s) in commercial operation prior to October 1, 2027: "Each Generator Owner, for each generating unit that has a calculated Extreme Cold Weather Temperature at or below 32 degrees Fahrenheit (zero degrees Celsius) as determined in Requirement R1, and that self-commits or is required to operate at or below a temperature of 32 degrees Fahrenheit (zero degrees Celsius),2 shall: [Violation Risk Factor: Medium] [Time Horizon: Long-term Planning, Operations Planning] • Implement freeze protection measures to protect Generator Cold Weather Critical Components that provide the capability to operate at the unit(s)' Extreme Cold Weather Temperature; or • Develop a Corrective Action Plan to add new or modify existing freeze protection measures to provide the capability to operate at the unit(s)' Extreme Cold Weather Temperature.
M3. Each Generator Owner will have dated evidence that demonstrates it has freeze protection measures for its unit(s) in accordance with R3, or it has developed a Corrective Action Plan for the identified issues. Acceptable evidence may include, but is not limited to, the following (electronic or hardcopy format): Identification of generating unit(s) minimum temperature per Part 1.2.2 which is equal to or less than the unit's Extreme Cold Weather Temperature, documentation of freeze protection measures, and Corrective Action Plan(s).
The alternative to proactively replacing the heat trace is running it to failure, increased maintenance and repair costs, and leads to higher plant derates and forced outages.

CBI 27-17: This project will remove and replace the existing closed-cooling-water pump and motor that provides cooling for the three plant generators on each of the plant's turbines. The pump has been in operation for over 20 years. It is a critical component of the power plant's closed cooling, responsible for transferring large volumes of glycol and reducing heat stress on vital equipment.

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Without this pump and motor, vital equipment will fail, leading to forced outages and high repair costs. The alternative to proactively replacing the closed cooling water pump and motor is to run it to failure, resulting in increased maintenance cost and lower overall power output directly related to higher generator temperature.

CBI 27-18: The existing Ford Explorer was purchased in 2012. The vehicle needs to be replaced with a newer model; the vehicle is no longer reliable and requires major maintenance for continued use. This vehicle is used to travel between to two plant sites by plant staff and for travel off site to attend company meeting and required training where it make sense. Luna Energy Facility is centrally located 100 miles west of the El Paso Airport and 200 mile east of the Tuscan Int Airport and 250 miles south of the Albuquerque International Airport.

CBI 27-19: Both Screw feed systems have consistently been problematic since their installation, causing ongoing disruptions and inefficiencies. We have documented numerous maintenance hours on these systems, underscoring their unreliability and the urgent need for replacement to ensure smooth operations and long-term cost savings. The alternative to proactively replacing the lime and soda ash feeders is to run them to failure, resulting in increased maintenance and repair costs and the risk of eventual failure, leading to plant derates.

CBI 27-20: All components in the system are original and have been in service since 2005. In general, they are worn out and in need of replacement. Components are starting to fail in service, and temperature control in compartments is out of control. This system also interfaces with the CO2 Fire Protection system, if CO2 is needed to extinguish a fire in one of the compartments, an unreliable actuator may not operate correctly, and even well-maintained, worn-out dampers may not close, increasing the time needed to extinguish a fire in the compartment. Doing nothing increases the likelihood of an undesired event. We have failed 3 CO2 concentration tests due to parts of this system not operating correctly when needed.

CBI 27-21: Plant Insulation Replacement will focus on the large bore Piping and the HRSGs. The existing insulation on the plant's two Heat Recovery Steam Generators (Larger bore piping approximately 2500 lineal feet) has significantly degraded due to age, reducing its ability to maintain proper temperature control. This deterioration creates safety risks, including increased surface temperatures that can lead to burns or fire hazards. Damaged insulation also contributes to energy loss, forcing equipment to work harder and reducing overall operational efficiency. As a result, the plant experiences higher energy costs and unnecessary strain on critical systems. Replacing the insulation will help maintain consistent process temperatures, improving equipment performance and reliability. Upgraded insulation materials will also support compliance with current safety and environmental standards. Overall, replacing aging insulation is a necessary step to enhance safety, improve efficiency, and reduce long-term operational costs and the risk of eventual NERC violations.

CBI 27-22: Purchase two new Utility Vehicles. Vehicle use is limited to on-site plant use for transporting tool and employees to

**Project No:** **74416127 Luna Capital Improvement 2027**

support the operational needs of PNM in the Maintenance Department. These vehicles are essential for ensuring the safe, efficient, and timely completion of maintenance activities across all assigned facilities and service areas. Without adequate transportation, maintenance personnel experience delays traveling between jobs, resulting in extended downtime for critical systems or equipment, inefficient use of labor hours, and increased overtime costs to compensate for delays. Providing dedicated vehicles enables staff to respond simultaneously to multiple service requests, improving workflow efficiency and minimizing operational disruptions.

CBI 27-23: Plant-wide add (6ea) 480 electrical power outlets for use during future outages. During outage periods, there is an operational requirement to provide 800 -1000 ft of 50- and 100-amp, 480V AC power sources to support contractor activities, including pre- and post-welding heat treatments, power supplies for specialized tooling services, and related operations. Historically, these power supplies have been established on a temporary basis as needed. However, given the aging infrastructure and the frequency of requests, it is both practical and advisable to install these power sources permanently. Currently, a team of two FTE's regularly manages the connection and disconnection of these power supplies daily throughout the outage to facilitate contractor equipment operations.

CBI 27-24: The existing access to the inlets is a hand-over-hand vertical ladder approximately 37ft… with our aging workforce this has become unsafe. We are proposing a stair tower, vertical walk-up with landings every 8 ft, and handrails on both sides this will remove safety of personnel concerns. At present the Generator Terminal Enclosure has no permanent access and is scaffolded every six months to replace the Generator Filters at a cost of $16k/unit. Installation of a permanent platform provides immediate access in the event of a problem (no waiting for scaffolding to be delivered and built). Lowers the plant's maintenance cost by $32K annually.

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| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing. This is not a feasible option as this work is required to ensure the safe and reliable operation of this plant. |

## Project No: 74416127 Luna Capital Improvement 2027

| | |
|---|---|
| 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: 74416127 Luna Capital Improvement 2027

| | |
|---|---|
| Customer Benefit | PNM customers benefit as the capital replacements covered by this project as they ensure the ongoing safe, efficient, reliable, and cost-effective operation of the plant. |

## Project No: 74416127 Luna Capital Improvement 2027

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The project covers the replacement of essential capital assets (like North American Electric Reliability Corporation [NERC] physical security) that ensure compliant operation of the plant. This project covers the replacement of essential capital assets (Selective Catalytic Reduction Systems) that ensure environmentally compliant operation of the plant. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **74416127** **Luna Capital Improvement 2027**

General Services

Reliability & Resiliency

This project covers the replacement of essential capital assets (e.g., pumps, control systems, and cooling pipes) that ensure the reliable and eficient operation of the plant.

Safety & Security

This project covers the replacement of essential equipment to ensure the safe operation of the plant.

Technology Advancements

## Project No: 74416127 Luna Capital Improvement 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: 74416127 Luna Capital Improvement 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 296,324 | 585,863 | 521,948 | 116,500 | 120,124 |
| 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 | - | - | (197,530) | (390,536) | (347,931) | (77,659) | (80,075) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | 19,735 | 39,018 | 34,762 | 7,759 | 8,000 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | 118 | 472 | 883 | 1,049 | 1,149 |
| 929: AFUDC Equity | - | - | 160 | 638 | 1,194 | 1,420 | 1,555 |
| 961: Luna A&G PNMR D&V | - | - | 3,911 | 7,733 | 6,890 | 1,538 | 1,586 |
| 825: Closing Addition | - | - | - | (15,152) | (41,885) | - | (11,952) |
| 825: Closing Cost of Removal | - | - | - | (2,272) | (6,264) | - | (1,772) |
| Project Net | - | - | 122,720 | 225,765 | 169,597 | 50,607 | 38,616 |

## Project No: 74416127 Luna Capital Improvement 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 461,324 | 160,000 | 223,124 | 2,485,207 |
| 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 | (307,519) | (106,656) | (148,734) | (1,656,639) |
| 913: Payroll Taxes | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 30,724 | 10,656 | 14,860 | 165,515 |
| 926: A&G Loads | - | - | - | - |
| 928: AFUDC Debt | 1,361 | 1,617 | 1,778 | 8,428 |
| 929: AFUDC Equity | 1,841 | 2,187 | 2,406 | 11,401 |
| 961: Luna A&G PNMR D&V | 6,089 | 2,112 | 2,945 | 32,805 |
| 825: Closing Addition | - | - | (50,779) | (119,768) |
| 825: Closing Cost of Removal | - | - | (7,471) | (17,779) |
| Project Net | 193,822 | 69,916 | 38,128 | 909,170 |

## Project No: 74416127 Luna Capital Improvement 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 | 2,485,207 | 560,000 | 1,248,450 | 85,124 | 4,378,781 | - | - | - |
| 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 | (1,656,639) | (373,296) | (832,217) | (56,744) | (2,918,895) | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 165,515 | 37,296 | 83,147 | 5,669 | 291,627 | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 8,428 | 1,987 | 2,546 | 34 | 12,994 | - | - | - |
| 929: AFUDC Equity | 11,401 | 2,689 | 3,444 | 46 | 17,579 | - | - | - |
| 961: Luna A&G PNMR D&V | 32,805 | 7,392 | 16,480 | 1,124 | 57,800 | - | - | - |
| 825: Closing Addition | (119,768) | (78,546) | (1,374,132) | (30,650) | (1,603,096) | - | - | - |
| 825: Closing Cost of Removal | (17,779) | (11,557) | (202,851) | (4,603) | (236,790) | - | - | - |
| Project Net | 909,170 | 145,964 | (1,055,134) | - | (0) | - | - | - |

## Project No: 74416127 Luna Capital Improvement 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 4,378,781 |
| 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 | - | - | - | - | - | - | (2,918,895) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 291,627 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | 12,994 |
| 929: AFUDC Equity | - | - | - | - | - | - | 17,579 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 57,800 |
| 825: Closing Addition | - | - | - | - | - | - | (1,603,096) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (236,790) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 74416128 Luna Capital Planned Outage 2028

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2028

Estimated Completion Date 12/31/2028

Description

This project is for the capital replacements made during the planned outages at Luna Energy Facility (LEF) in 2028. This is for the periodic gas turbine major maintenance which includes hot gas path inspections, major inspections, major valve replacements, and other capital projects based on the results of inspections that are one a prescribed schedule based on gas turbine operating hours and fired starts.

Project includes the following tasks:
CBI 27-03: Luna 2028 - Replace Selective Catalytic Reduction (SCR) Systems Catalyst Phase 1 Purchase Unit 1 (Purchase and storage)
CBI 27-04: Luna 2028 - Replace SCR Catalyst Phase 1 Purchase Unit 2 (Purchase and storage)
CBI 28-03: Luna 2028 - Construction of new cold storage warehouse

## Project No: 74416128 Luna Capital Planned Outage 2028

Project Need Justification

In order to ensure reliable and efficient operation for years to come, periodic gas turbine major maintenance must be performed on a prescribed schedule based on gas turbine operating hours and fired starts. If this maintenance is not completed, the turbines may not be fit for operation.

CBI 27-03: Year 2: The Unit 1 Heat Recovery Steam Generator (HRSG) SCR is original to the plant with an original estimated service life of 10 years. It has now been in service since 2005 (20 years) and the most recent testing showed a decrease in the catalyst performance. As there is a 24 month construction lead time to manufacturer the new SCR Catalyst, ordering one now would make it available for installation during the 29 day Spring Outage in 2029. The SCR Catalyst is the pollution control device in the HRSG and its required to operate the plant within its Operating Permit limits. Without replacement the plant cannot be operated in compliance with the permit limits.
CBI 27-04: Year 2: The Unit 2 HRSG SCR is original to the plant with an original estimated service life of 10 years. It has now been in service since 2005 (20 years) and the most recent testing showed a decrease in the catalyst performance. As there is a 24 month construction lead time to manufacturer the new SCR Catalyst, ordering one now would make it available for installation during the 29 day Spring Outage in 2029. The SCR Catalyst is the pollution control device in the HRSG and its required to operate the plant within its Operating Permit limits. Without replacement the plant cannot be operated in compliance with the permit limits.
CBI 28-03: Build New Cold Storage Building - Additional cold storage is needed to store long lead items out of the weather to protect sensitive electrical equipment and specialized coating as instructed by the manufacturer. This building will ensure that specialized parts can be procured and safely stored in advanced of future planned outages.

**Project No:** **74416128** **Luna Capital Planned Outage 2028**

| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing. This is not a feasible option as purchasing these items in advance is required to ensure they are available when needed for future planned outages. |

**Project No:** **74416128** **Luna Capital Planned Outage 2028**

| | |
|---|---|
| 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:** **74416128** **Luna Capital Planned Outage 2028**

| | |
|---|---|
| Customer Benefit | PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant. |

## Project No: 74416128 Luna Capital Planned Outage 2028

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The project covers the purchase of essential capital assets that are required to operate the plant in compliance with environmental requirements. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **74416128** **Luna Capital Planned Outage 2028**

General Services

Reliability & Resiliency

This project covers the purchase and safe storage of essential capital assets to ensure the reliable operation of the plant.

Safety & Security

Technology Advancements

## Project No: 74416128 Luna Capital Planned Outage 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: 74416128 Luna Capital Planned Outage 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **74416128** **Luna Capital Planned Outage 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 74416128 Luna Capital Planned Outage 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 | - | - | - | - | - | - | 160,000 | - |
| 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 | - | - | - | - | - | - | (106,656) | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 10,656 | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | 63 | 126 |
| 929: AFUDC Equity | - | - | - | - | - | - | 99 | 198 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 2,112 | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 66,274 | 324 |

## Project No: 74416128 Luna Capital Planned Outage 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 410,000 | - | - | - | 570,000 |
| 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 | - | - | (273,306) | - | - | - | (379,962) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | 27,306 | - | - | - | 37,962 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 126 | 127 | 288 | 451 | 453 | 456 | 2,090 |
| 929: AFUDC Equity | 199 | 201 | 455 | 711 | 715 | 719 | 3,297 |
| 961: Luna A&G PNMR D&V | - | - | 5,412 | - | - | - | 7,524 |
| 825: Closing Addition | - | - | - | - | - | (90,112) | (90,112) |
| 825: Closing Cost of Removal | - | - | - | - | - | (13,221) | (13,221) |
| Project Net | 326 | 328 | 170,156 | 1,162 | 1,168 | (102,158) | 137,578 |

## Project No: 74417025 Luna Capital Planned Outage 2025

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 6/30/2026

Description

This project is for the capital replacements made during the planned outages at Luna Energy Facility (LEF) in 2025. This is for the periodic gas turbine major maintenance which includes hot gas path inspections, major inspections, major valve replacements, and other major capital expenditures. These inspections are done on a prescribed schedule based on gas turbine operating hours and fired starts.

CBI 25-01: Luna Replace Unit 1 Bulk CO2 Tank
CBI 25-02: Luna Replace Unit 2 Bulk CO2 Tank
CBI 25-03: Luna GT1 Refurbish Exhaust Area Transition
CBI 25-04: Luna GT2 Refurbish Exhaust Area Transition
CBI 25-09: Luna Steam Turbine Iso-Phase Bus Instrument Air
CBI 25-11: Luna Upgrade HP Attemperator Heat Recovery Steam Generator (HRSG) 1
CBI 25-12: Luna Upgrade HP Attemperator HRSG 2
CBI 25-13: Luna Replace Cooling Tower Fill - 4 Cells
CBI 25-15: Luna Upgrade BFP Recirculation Control Valve HRSG1
CBI 25-16: Luna Upgrade BFP Recirc Control Valve HRSG2
CBI 25-17: Luna Replace GT1 Load Comp Expansion Joint
CBI 25-18: Luna Replace Gas Turbine 2 Load Comp Expansion Joint

## Project No: 74417025 Luna Capital Planned Outage 2025

Project Need Justification

In order to ensure reliable and efficient operation of the plant, periodic gas turbine major maintenance must be performed on a prescribed schedule based on gas turbine operating hours and fired starts. If this maintenance is not completed, the turbines would not be fit for operation.

**Project No:** **74417025** **Luna Capital Planned Outage 2025**

| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing. This is not a feasible option as this work is needed to ensure the safe and reliable operation of this plant. |

**Project No:** **74417025** **Luna Capital Planned Outage 2025**

| | |
|---|---|
| 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:** **74417025** **Luna Capital Planned Outage 2025**

| | |
|---|---|
| Customer Benefit | PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant. |

**Project No:** **74417025** **Luna Capital Planned Outage 2025**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **74417025** **Luna Capital Planned Outage 2025**

General Services

Reliability & Resiliency

This project reduces the risk of catastrophic failure of the combustion turbine or steam generator. Catastrophic failure would result in extensive down time and cost.

Safety & Security

This project reduces the risk of catastrophic failure of the combustion turbine or steam generator. Catastrophic failure could result in serious harm to individuals in the proximity of the generating units.

Technology Advancements

## Project No: 74417025 Luna Capital Planned Outage 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 | 5,339,781 | - | - | - | - | - | - | 5,339,781 |
| 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 | (3,559,498) | - | - | - | - | - | - | (3,559,498) |
| 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 | 27,957 | - | - | - | - | - | - | 27,957 |
| 929: AFUDC Equity | 18,451 | - | - | - | - | - | - | 18,451 |
| 961: Luna A&G PNMR D&V | 70,485 | - | - | - | - | - | - | 70,485 |
| 825: Closing Addition | (1,657,735) | (45,449) | - | - | - | - | - | (1,703,184) |
| 825: Closing Cost of Removal | (115,614) | (78,377) | - | - | - | - | - | (193,992) |
| Project Net | 123,826 | (123,826) | - | - | - | - | - | - |

## Project No: 74417025 Luna Capital Planned Outage 2025

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 5,339,781 | - | - | - | - | - | - |
| 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 | (3,559,498) | - | - | - | - | - | - |
| 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 | 27,957 | - | - | - | - | - | - |
| 929: AFUDC Equity | 18,451 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 70,485 | - | - | - | - | - | - |
| 825: Closing Addition | (1,703,184) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (193,992) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **74417025** **Luna Capital Planned Outage 2025**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 5,339,781 |
| 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 | - | - | - | (3,559,498) |
| 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 | - | - | - | 27,957 |
| 929: AFUDC Equity | - | - | - | 18,451 |
| 961: Luna A&G PNMR D&V | - | - | - | 70,485 |
| 825: Closing Addition | - | - | - | (1,703,184) |
| 825: Closing Cost of Removal | - | - | - | (193,992) |
| Project Net | - | - | - | - |

## Project No: 74417025 Luna Capital Planned Outage 2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 5,339,781 | - | - | - | 5,339,781 | - | - | - |
| 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 | (3,559,498) | - | - | - | (3,559,498) | - | - | - |
| 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 | 27,957 | - | - | - | 27,957 | - | - | - |
| 929: AFUDC Equity | 18,451 | - | - | - | 18,451 | - | - | - |
| 961: Luna A&G PNMR D&V | 70,485 | - | - | - | 70,485 | - | - | - |
| 825: Closing Addition | (1,703,184) | - | - | - | (1,703,184) | - | - | - |
| 825: Closing Cost of Removal | (193,992) | - | - | - | (193,992) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 74417025 Luna Capital Planned Outage 2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 5,339,781 |
| 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 | - | - | - | - | - | - | (3,559,498) |
| 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 | - | - | - | - | - | - | 27,957 |
| 929: AFUDC Equity | - | - | - | - | - | - | 18,451 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 70,485 |
| 825: Closing Addition | - | - | - | - | - | - | (1,703,184) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (193,992) |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **74417125** **Luna GT 2 GSU Transformer Replaceme**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 4/1/2025

Estimated Completion Date 8/1/2026

Description

Replace the Luna U2 GSU transformer. On January 25, 2025 Luna GT2 GSU transformer suffered a catastrophic high voltage bushing failure. After extensive inspection and testing a reliable/warrantied repair is not an option. The GSU needs to be replaced to operate GT2 combustion turbine and export power. Lead times and costs for offsite repair of GSU2 are in excess of 6-12 months beyond the purchase of the new unit. The cost estimates for offsite repair also exceed a new transformer purchase. A new GSU can be purchased from China and delivered to the site in less than 8 months after a purchase order is provided. The purchase of the new transformer includes, freight, commissioning, testing and taxes. The cost to replace the transformer is estimated to be $7.6M, offset by insurance proceeds that will lower the costs to approximately $2.5M (insurance deductible amount).

## Project No: 74417125 Luna GT 2 GSU Transformer Replaceme

Project Need Justification

Luna Unit 2 cannot produce power without this replacement. This project is considered a Must Do emergent replacement. Alternative: There are no permanent warrantied repair options that have been identified. Offsite repair options have been identified however, the lead times extend outage by several months. PNM RUC Justification: Section Transformer Generation Site indicates that all of the included items in this CBI are identified as capital replacement. NPV: $ 92,242,431, assumes one year of downtime."

**Project No:** **74417125** **Luna GT 2 GSU Transformer Replaceme**

Project Alternatives

There are no permanent warrantied repair options that have been identified. Offsite repair options have been identified however, the lead times extend outage by several months. This is the least Cost, Lowest lead time option.

**Project No:** **74417125 Luna GT 2 GSU Transformer Replaceme**

| | |
|---|---|
| Project Estimate Approach | The purchase of the new transformer includes, freight, commissioning, testing and taxes. The cost to replace the transformer is estimated to be $7.6M, offset by insurance proceeds that will lower the costs to approximately $2.5M (insurance deductible amount)<br><br>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:** **74417125 Luna GT 2 GSU Transformer Replaceme**

| | |
|---|---|
| Customer Benefit | PNM customers will benefit as the operation of this facility can provide for their energy needs, and will ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant. |

## Project No: 74417125 Luna GT 2 GSU Transformer Replaceme

| | |
|---|---|
| Primary Value Driver | Customer Delivery |
| Compliance | |
| Customer Delivery | The GSU needs to be replaced to operate GT2 combustion turbine and export power that can be utilized by customers. This project is considered a"Must Do" emergent replacement. |
| Energy Transition | |

**Project No:** **74417125** **Luna GT 2 GSU Transformer Replaceme**

General Services

Reliability & Resiliency

After extensive inspection and testing a reliable/warrantied repair is not an option. The GSU needs to be replaced to operate GT2 combustion turbine and export power. Lead times and costs for offsite repair of GSU2 are in excess of 6-12 months beyond the purchase of the new unit. The cost estimates for offsite repair also exceed a new transformer purchase. A new GSU can be purchased from China and delivered to the site in less than 8 months after a purchase order is provided. The purchase of the new transformer includes, freight, commissioning, testing and taxes. The cost to replace the transformer is estimated to be $7.6M, offset by insurance proceeds that will lower the costs to approximately $2.5M (insurance deductible amount).
Luna Unit 2 cannot produce power without this replacement. This project is considered a Must Do emergent replacement. A

Safety & Security

Technology Advancements

## Project No: 74417125 Luna GT 2 GSU Transformer Replaceme

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 57,476 | - | - | - | - | - | - | 57,476 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 7,732,977 | - | - | - | - | - | - | 7,732,977 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (3,500,000) | - | (2,106,545) | - | - | - | - | (5,606,545) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | (58,290) | - | - | - | - | - | - | (58,290) |
| 909: Luna AR - Other | (2,749,209) | - | 1,404,223 | - | - | - | - | (1,344,986) |
| 913: Payroll Taxes | 4,121 | - | - | - | - | - | - | 4,121 |
| 914: Pension and Benefits | 20,082 | - | - | - | - | - | - | 20,082 |
| 915: Injuries and Damages | 5,765 | - | - | - | - | - | - | 5,765 |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | (140,296) | - | - | - | - | (140,296) |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 35,631 | 3,774 | 2,860 | - | - | - | - | 42,265 |
| 929: AFUDC Equity | 27,021 | 4,022 | 3,048 | - | - | - | - | 34,091 |
| 961: Luna A&G PNMR D&V | 83,034 | - | (27,806) | - | - | - | - | 55,228 |
| 825: Closing Addition | - | - | (787,174) | - | - | - | - | (787,174) |
| 825: Closing Cost of Removal | - | - | (14,713) | - | - | - | - | (14,713) |
| Project Net | 1,658,608 | 7,796 | (1,666,403) | - | - | - | - | 0 |

## Project No: 74417125 Luna GT 2 GSU Transformer Replaceme

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 57,476 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 7,732,977 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | (5,606,545) | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | (58,290) | - | - | - | - | - | - |
| 909: Luna AR - Other | (1,344,986) | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,121 | - | - | - | - | - | - |
| 914: Pension and Benefits | 20,082 | - | - | - | - | - | - |
| 915: Injuries and Damages | 5,765 | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | (140,296) | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 42,265 | - | - | - | - | - | - |
| 929: AFUDC Equity | 34,091 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 55,228 | - | - | - | - | - | - |
| 825: Closing Addition | (787,174) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (14,713) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

**Project No:** **74417125** **Luna GT 2 GSU Transformer Replaceme**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 57,476 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 7,732,977 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | (5,606,545) |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | (58,290) |
| 909: Luna AR - Other | - | - | - | (1,344,986) |
| 913: Payroll Taxes | - | - | - | 4,121 |
| 914: Pension and Benefits | - | - | - | 20,082 |
| 915: Injuries and Damages | - | - | - | 5,765 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | (140,296) |
| 926: A&G Loads | - | - | - | - |
| 928: AFUDC Debt | - | - | - | 42,265 |
| 929: AFUDC Equity | - | - | - | 34,091 |
| 961: Luna A&G PNMR D&V | - | - | - | 55,228 |
| 825: Closing Addition | - | - | - | (787,174) |
| 825: Closing Cost of Removal | - | - | - | (14,713) |
| Project Net | - | - | - | 0 |

## Project No: 74417125 Luna GT 2 GSU Transformer Replaceme

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 57,476 | - | - | - | 57,476 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 7,732,977 | - | - | - | 7,732,977 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (5,606,545) | - | - | - | (5,606,545) | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | (58,290) | - | - | - | (58,290) | - | - | - |
| 909: Luna AR - Other | (1,344,986) | - | - | - | (1,344,986) | - | - | - |
| 913: Payroll Taxes | 4,121 | - | - | - | 4,121 | - | - | - |
| 914: Pension and Benefits | 20,082 | - | - | - | 20,082 | - | - | - |
| 915: Injuries and Damages | 5,765 | - | - | - | 5,765 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | (140,296) | - | - | - | (140,296) | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 42,265 | - | - | - | 42,265 | - | - | - |
| 929: AFUDC Equity | 34,091 | - | - | - | 34,091 | - | - | - |
| 961: Luna A&G PNMR D&V | 55,228 | - | - | - | 55,228 | - | - | - |
| 825: Closing Addition | (787,174) | - | - | - | (787,174) | - | - | - |
| 825: Closing Cost of Removal | (14,713) | - | - | - | (14,713) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 74417125 Luna GT 2 GSU Transformer Replaceme

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 57,476 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 7,732,977 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | (5,606,545) |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | (58,290) |
| 909: Luna AR - Other | - | - | - | - | - | - | (1,344,986) |
| 913: Payroll Taxes | - | - | - | - | - | - | 4,121 |
| 914: Pension and Benefits | - | - | - | - | - | - | 20,082 |
| 915: Injuries and Damages | - | - | - | - | - | - | 5,765 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | (140,296) |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | 42,265 |
| 929: AFUDC Equity | - | - | - | - | - | - | 34,091 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 55,228 |
| 825: Closing Addition | - | - | - | - | - | - | (787,174) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (14,713) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 74417126 Luna Capital Planned Outage 2026

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2026

Description

This project is for the capital replacements made during the planned outages at Luna Energy Facility (LEF) in 2026. Specifically, this project is to make repairs as part of periodic gas turbine major maintenance work including hot gas path inspections, major inspections, major valve replacements, and other major capital expenditures. These inspections are done on a prescribed schedule based on gas turbine operating hours and fired starts.

26-01 Luna 2026 - Overhaul Unit 1 boiler feed pump, motor and modify suction piping
26-02 Luna 2026 - Overhaul Unit 2 boiler feed pump, motor and modify suction piping
26-03 Luna 2026 - Heat Recovery Steam Generator (HRSG) 1 Drum levels upgrade
26-04 Luna 2026 - HRSG2 Drum levels upgrade
26-05 Luna 2026 - Replace PDC_1A Batteries NERC
26-06 Luna 2026 - Replace Unit 1 HRH Piping Part 2
26-14 Luna 2026 - Remove and Replace Existing Kaydon Lube Oil Pump
26-15 Luna 2026 - Upgrade Water Treatment Plant

## Project No: 74417126 Luna Capital Planned Outage 2026

Project Need Justification

In order to ensure reliable and efficient operation for years to come, periodic gas turbine major maintenance, which includes hot gas path inspections and major inspections, must be performed on a prescribed schedule based on gas turbine operating hours and fired starts. Based on these inspections, equipment at or near the end of useful life is identified for repair/replacement. If this maintenance is not completed, the turbines are not fit for operation.

CBI 26-01: Overhaul U1 boiler feed pump, motor and modify suction piping - Both pumps now have been in service for 20+ years without an inspection. NAES to complete a refresh of Unit 1 Pump A to ensure many more years of reliable service. Planning to complete this repair at the Spring 2026 Outage removed the probability of failure during our peak operating time (Summer).

CBI 26-02: Overhaul U2 boiler feed pump, motor and modify suction piping - Both pumps now have been in service for 20+ years without an inspection. NAES to complete a refresh of Unit 2 Pump A to ensure many more years of reliable service. Planning to complete this repair at the Spring 2026 Outage removed the probability of failure during our peak operating time (Summer).

CBI 26-03: Remove and replace existing drum gages (HP, IP and LP Drums) on HRSG 14- The current level detection is questionable and a new system is needed that has better indication of drum position.

CBI 26-04: Remove and replace existing drum gages (HP, IP and LP Drums) on HRSG 2 - The current level detection is questionable and a new system is needed that has a better indication of drum position.

CBI 26-05: REMOVE EXISTING PDC-1A BATTERIES AND INSTALL NEW BATTERIES - BATTERIES AT END OF LIFE, EMERGENCY POWER WILL NOT BE SUFFICIENT TO OPERATE PLANT.

CBI 26-06: UPGRADE AGING, DAMAGED PIPE IN UNIT 1 - SAFETY HAZARD FOR PERSONNEL NEARBY, UNIT RELIABILITY CAN DIMINISH AND CAN CAUSE UNEXPECTED TRIP AND LONGER LEAD TIMES WOULD MEAN A UNIT TO BE DOWN FOR THREE TIMES LONGER THAN HAVING A PROACTIVE APPROACH.

CBI 26-14: REMOVE AND REPLACE EXISTING STEAM TURBINE KAYDON PUMP - CURRENT PUMP RELIABILITY IS DECREASING EXPONENTIALLY. THE PUMP HAS BEEN IN SERVICE FOR MORE THAN 20 YEARS. AN UPGRADE IS DUE TO KEEP RELIABILITY AND OIL UPKEEP TO ACCEPTABLE STANDARDS. FAILURE TO DO SO MAY INCREASE MAINTENANCE COSTS AND EQUIPMENT FAILURES WITH HIGH OPERATIONAL AND MATERIAL COSTS.

CBI 26-15: UPGRADE WATER TREATMENT PLANT VALVES - VALVES HAVE BEEN FAILING DUE TO WEAR AND TEAR. CONDUIT AND INDICATING SWITCHES HAVE BEEN FAILING, INCREASING MAINTENANCE AND OPERATIONS DOWNTIME. FAILING TO FIX THESE ISSUES PROACTIVELY MAY CAUSE PLANT DOWNTIME DUE TO WATER DEFICIENCIES.

**Project No:** **74417126** **Luna Capital Planned Outage 2026**

| | |
|---|---|
| Project Alternatives | The only other option would be to do nothing. This is not a feasible option as these replacements are needed to ensure the safe and reliable operation of this plant. |

**Project No:** **74417126** **Luna Capital Planned Outage 2026**

| | |
|---|---|
| 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:** **74417126** **Luna Capital Planned Outage 2026**

| | |
|---|---|
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |

**Project No:** **74417126** **Luna Capital Planned Outage 2026**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **74417126** **Luna Capital Planned Outage 2026**

General Services

Reliability & Resiliency

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time and cost.

Safety & Security

This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Technology Advancements

## Project No: 74417126 Luna Capital Planned Outage 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,837,337 | - | - | 177,619 | 1,001,083 | - | - | 3,016,039 |
| 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 | (1,224,769) | - | - | (118,401) | (667,322) | - | - | (2,010,492) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | 11,829 | 66,672 | - | - | 78,502 |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 2,843 | 789 | 793 | 876 | 1,402 | 1,853 | - | 8,555 |
| 929: AFUDC Equity | 2,533 | 841 | 845 | 933 | 1,494 | 1,975 | - | 8,621 |
| 961: Luna A&G PNMR D&V | 24,253 | - | - | 2,345 | 13,214 | - | - | 39,812 |
| 825: Closing Addition | (185,757) | - | - | - | - | (755,673) | - | (941,430) |
| 825: Closing Cost of Removal | (34,660) | - | - | - | - | (164,947) | - | (199,607) |
| Project Net | 421,779 | 1,630 | 1,638 | 75,201 | 416,544 | (916,793) | - | - |

**Project No:** **74417126** **Luna Capital Planned Outage 2026**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 3,016,039 | - | - | - | - | - | - |
| 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 | (2,010,492) | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 78,502 | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 8,555 | - | - | - | - | - | - |
| 929: AFUDC Equity | 8,621 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 39,812 | - | - | - | - | - | - |
| 825: Closing Addition | (941,430) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (199,607) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **74417126** **Luna Capital Planned Outage 2026**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 3,016,039 |
| 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 | - | - | - | (2,010,492) |
| 913: Payroll Taxes | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 78,502 |
| 926: A&G Loads | - | - | - | - |
| 928: AFUDC Debt | - | - | - | 8,555 |
| 929: AFUDC Equity | - | - | - | 8,621 |
| 961: Luna A&G PNMR D&V | - | - | - | 39,812 |
| 825: Closing Addition | - | - | - | (941,430) |
| 825: Closing Cost of Removal | - | - | - | (199,607) |
| Project Net | - | - | - | - |

## Project No: 74417126 Luna Capital Planned Outage 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 3,016,039 | - | - | - | 3,016,039 | - | - | - |
| 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 | (2,010,492) | - | - | - | (2,010,492) | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 78,502 | - | - | - | 78,502 | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 8,555 | - | - | - | 8,555 | - | - | - |
| 929: AFUDC Equity | 8,621 | - | - | - | 8,621 | - | - | - |
| 961: Luna A&G PNMR D&V | 39,812 | - | - | - | 39,812 | - | - | - |
| 825: Closing Addition | (941,430) | - | - | - | (941,430) | - | - | - |
| 825: Closing Cost of Removal | (199,607) | - | - | - | (199,607) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 74417126 Luna Capital Planned Outage 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 3,016,039 |
| 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 | - | - | - | - | - | - | (2,010,492) |
| 913: Payroll Taxes | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 78,502 |
| 926: A&G Loads | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | 8,555 |
| 929: AFUDC Equity | - | - | - | - | - | - | 8,621 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | 39,812 |
| 825: Closing Addition | - | - | - | - | - | - | (941,430) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (199,607) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information**

County % Valencia 100%

Estimated Start Date 8/1/2026

Estimated Completion Date 12/31/2026

Description

(CBI-1) La Luz Gas Turbine SB310: This project will implement the requirements of (GE) General Electric Vendor - Service Bulletin SB310 by replacing Rows 3, 4, and 5 of the High Pressure Compressor rotor. The work will include removal of affected compressor components, installation of upgraded hardware, inspections, testing, and commissioning necessary to restore the compressor to recommended operating standards and improve long-term reliability.

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | |
|---|---|
| Project Need Justification | (CBI-1) GE issued Service Bulletin SB310 to address known reliability concerns associated with specific high-pressure compressor rotor components. Compliance with the manufacturer's recommended upgrade helps mitigate equipment degradation, reduce the likelihood of compressor-related failures, and maintain dependable turbine operation. Replacing the affected rotor stages is necessary to address known equipment risk and preserve the reliability of a critical generation asset. |

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

Project Alternatives

(CBI-1) Failure to implement the SB310 upgrade may increase the risk of compressor blade degradation, component damage, loss of performance, or turbine failure. A compressor-related event could result in significant repair costs, extended outages, reduced generation availability, and possible secondary damage to turbine equipment. Deferral of the upgrade increases operational risk and may reduce overall unit reliability.

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | |
|---|---|
| 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: 75216126 La Luz SB-310 Compressor Blade Repl

Customer Benefit

Customers benefit from improved gas turbine reliability and reduced risk of major equipment failures that could impact generation availability. Completing the upgrade proactively helps avoid costly emergency repairs, minimizes outage risk, and ensures the unit remains available to support customer demand. The project also supports long-term asset health and cost-effective operation of the facility.

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | (CBI-1) La Luz Gas Turbine SB310: A utility must adhere to NERC Reliability standards that govern operations and planning activities on a Combustion Turbine Generating Station. The NERC (North American Electric Reliability Corporation) standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of Protection systems to prevent mis operation or loss of generation. The replacement of Rows 3,4,& 5 on the Service Bulletin SB310 project, helps to meet the compliance and reliability required within the PRC-005. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **75216126** **La Luz SB-310 Compressor Blade Repl**

General Services

Reliability & Resiliency

(CBI-1) La Luz Gas Turbine SB310 project - Addresses a known reliability concern identified by the equipment manufacturer. Reduces the risk of compressor failures, forced outages, and loss of generation. Improves long-term performance and availability of a critical generation asset.
Implements a manufacturer-recommended service bulletin intended to address known equipment risks. Supports adherence to established maintenance and asset management practices. Demonstrates proactive management of critical turbine equipment in accordance with OEM guidance.

Safety & Security

Technology Advancements

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | 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 | - | - | - | - | - | - | 500,000 | 500,000 |
| 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 | - | - | - | - | - | - | 20,500 | 20,500 |
| 926: A&G Loads | - | - | - | - | - | - | 26,000 | 26,000 |
| 928: AFUDC Debt | - | - | - | - | - | - | 674 | 674 |
| 929: AFUDC Equity | - | - | - | - | - | - | 718 | 718 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (547,892) | (547,892) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 500,000 | - | - | - | - | - | - |
| 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 | 20,500 | - | - | - | - | - | - |
| 926: A&G Loads | 26,000 | - | - | - | - | - | - |
| 928: AFUDC Debt | 674 | - | - | - | - | - | - |
| 929: AFUDC Equity | 718 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (547,892) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 500,000 |
| 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 | - | - | - | 20,500 |
| 926: A&G Loads | - | - | - | 26,000 |
| 928: AFUDC Debt | - | - | - | 674 |
| 929: AFUDC Equity | - | - | - | 718 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (547,892) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | - |

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 500,000 | - | - | - | 500,000 | - | - | - |
| 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 | 20,500 | - | - | - | 20,500 | - | - | - |
| 926: A&G Loads | 26,000 | - | - | - | 26,000 | - | - | - |
| 928: AFUDC Debt | 674 | - | - | - | 674 | - | - | - |
| 929: AFUDC Equity | 718 | - | - | - | 718 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (547,892) | - | - | - | (547,892) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 75216126 La Luz SB-310 Compressor Blade Repl

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 500,000 |
| 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 | - | - | - | - | - | - | 20,500 |
| 926: A&G Loads | - | - | - | - | - | - | 26,000 |
| 928: AFUDC Debt | - | - | - | - | - | - | 674 |
| 929: AFUDC Equity | - | - | - | - | - | - | 718 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (547,892) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 75216427 La Luz Non Outage Plant Capitl 2027

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information**

County % Valencia 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

(CBI-1) The La Luz Non-Outage Small Capital Project is an annual capital blanket project established to address emergent capital replacement and asset renewal needs that arise outside of planned outage schedules. The project provides funding for equipment replacements and infrastructure improvements that meet capitalization requirements and are necessary to maintain safe and reliable plant operation. Individual projects will be identified throughout the year based on equipment condition, operational needs, and reliability concerns that threaten unit availability or performance.
CBI-2) La Luz Well Pump Replacement: This project will replace the existing La Luz well pump, motor, and associated casing components that provide water necessary to support plant operations. The existing equipment has experienced recurring operational issues, including intermittent stoppages, increasing maintenance requirements, and declining reliability. The replacement will restore dependable operation of the plant water supply system and support continued station operation.
(CBI-3) La Luz Shade Structures Installation: This project will install protective shade structures for the new Mark VI E turbine control system and Balance of Plant (BOP) control equipment scheduled for installation in 2026. The shade structures are intended to supplement existing HVAC (heating, ventilation, and air conditioning) systems and provide additional protection for sensitive electronic hardware and software from extreme ambient temperatures experienced during summer operating periods.

## Project No: 75216427 La Luz Non Outage Plant Capitl 2027

Project Need Justification

(CBI-1) As equipment ages and plant conditions change, unforeseen capital replacement needs can arise and cannot reasonably be deferred until a planned outage. This project provides flexibility to address emergent equipment issues before they result in unit derates, forced outages, or operational restrictions. Timely replacement of deteriorating assets helps maintain generation reliability, reduce maintenance costs, and support continued operation of the facility.
(CBI-2) The water supply system is critical to the operation of the La Luz facility. The existing pump and motor have experienced recurring reliability issues and are approaching the end of their recommended service life. Continued degradation increases maintenance costs and creates a growing risk of water supply interruptions. Replacing the equipment now will improve reliability, reduce maintenance expenditure, and ensure the facility maintains the water resources required for ongoing operation.
(CBI-3) Experience at other generating facilities has demonstrated that built-in HVAC systems alone may not provide sufficient protection for modern turbine and control system equipment during periods of extreme heat. Excessive temperatures can negatively affect electronic components, control system performance, communication equipment, and hardware reliability. Installing shade structures will reduce thermal loading on control equipment, improve equipment longevity, and support reliable operation during peak summer demand periods.

## Project No: 75216427 La Luz Non Outage Plant Capitl 2027

Project Alternatives

(CBI-1) La Luz Small Capital Projects – This funding supports the timely replacement of equipment that meets capital requirements and has either caused a unit outage or has been identified as being at risk of causing one. The do-nothing alternative would allow degraded equipment to remain in service beyond its reliable operating life, increasing the risk of equipment failures, generation derates, and forced outages. These events could reduce the station's capacity factor and generation availability.

(CBI-2) Well Pump Replacement – The recommended approach is to replace the existing well pump. Doing nothing and continuing maintenance are not considered a viable long-term alternatives because replacement parts are obsolete and the risk of equipment failure will continue to increase. Failure of the well pump could significantly reduce the water supply required to support plant operations, potentially resulting in operational restrictions, generation derates, or unit outages. A failure could also create compliance concerns if required water supply or pressure cannot be maintained. Proactive replacement will reduce the risk of equipment failure, costly emergency repairs, extended operational impacts, and reduced generation availability.

(CBI-3) Control Equipment Shade Structures – The recommended approach is to install shade structures to protect turbine and Balance of Plant control equipment from direct solar exposure and extreme temperatures. New controls scheduled for installation in 2026 will require additional protection from heat beyond the cooling provided by the air-conditioning equipment included with the turnkey project. Without additional protection, elevated temperatures could reduce control-system reliability and increase the risk of equipment failures, nuisance alarms, communication issues, shortened equipment life, and generation interruptions. Installing the shade structures will help maintain appropriate operating conditions for critical control equipment and reduce the risk of heat-related failures, particularly during periods of high summer temperatures when generation is most needed.

## Project No: 75216427 La Luz Non Outage Plant Capitl 2027

| | |
|---|---|
| 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:** **75216427 La Luz Non Outage Plant Capitl 2027**

Customer Benefit

(CBI-1) Customers benefit from improved generation reliability and availability through the proactive replacement of aging or failed equipment before it impacts plant performance. This approach helps reduce outage risk, avoid emergency repair costs, and maintain dependable electric service while supporting prudent management of utility assets.
(CBI-2) Customers benefit from improved reliability of a critical plant support system that directly affects generating unit availability. A reliable water supply helps prevent operational disruptions and reduces the likelihood of outages or derates that could impact electric service. The project also supports proactive asset management and reduces the risk of costly emergency repairs that can increase operating costs.
(CBI-3) Customers benefit through improved reliability of critical control systems that support turbine and plant operation. Protecting sensitive electronic equipment helps reduce outage risks, extends equipment life, minimizes maintenance costs, and improves plant availability during high-demand summer conditions when reliable generation resources are most important.

| **Project No:** | **75216427 La Luz Non Outage Plant Capitl 2027** |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Supports operational and regulatory requirements associated with plant water systems. |
| Customer Delivery | Maintains dependable generation resources needed to provide reliable electric service. Enhances generation availability during peak demand periods and supports reliable customer service. |
| Energy Transition | |

**Project No:** **75216427** **La Luz Non Outage Plant Capitl 2027**

General Services

Reliability & Resiliency

Prevents equipment failures, unit derates, and forced outages through timely replacement of emergent capital assets. Maintains a reliable water supply required for continued plant operation and generation availability. Protects new control systems from extreme temperatures and improves operational reliability.

Safety & Security

Technology Advancements

## Project No: 75216427 La Luz Non Outage Plant Capitl 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: 75216427 La Luz Non Outage Plant Capitl 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 13,500 | 13,500 | 13,500 | 540,500 | 13,500 | 13,500 |
| 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 | - | 554 | 554 | 554 | 22,161 | 554 | 554 |
| 926: A&G Loads | - | 506 | 506 | 506 | 20,269 | 506 | 506 |
| 928: AFUDC Debt | - | 16 | 49 | 81 | 747 | 16 | 49 |
| 929: AFUDC Equity | - | 22 | 66 | 110 | 1,010 | 22 | 66 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (628,709) | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 14,598 | 14,674 | 14,751 | (44,023) | 14,598 | 14,674 |

**Project No:** **75216427** **La Luz Non Outage Plant Capitl 2027**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 13,500 | 13,500 | 13,500 | 648,500 |
| 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 | 554 | 554 | 554 | 26,589 |
| 926: A&G Loads | 506 | 506 | 506 | 24,319 |
| 928: AFUDC Debt | 81 | 114 | 147 | 1,300 |
| 929: AFUDC Equity | 110 | 154 | 199 | 1,759 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (628,709) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 14,751 | 14,828 | 14,906 | 73,758 |

## Project No: 75216427 La Luz Non Outage Plant Capitl 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 | 648,500 | 13,500 | 13,500 | 13,500 | 689,000 | - | - | - |
| 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 | 26,589 | 554 | 554 | 554 | 28,249 | - | - | - |
| 926: A&G Loads | 24,319 | 506 | 506 | 506 | 25,838 | - | - | - |
| 928: AFUDC Debt | 1,300 | 180 | 214 | 247 | 1,941 | - | - | - |
| 929: AFUDC Equity | 1,759 | 244 | 289 | 334 | 2,626 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (628,709) | - | - | (118,945) | (747,654) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 73,758 | 14,984 | 15,062 | (103,804) | - | - | - | - |

## Project No: 75216427 La Luz Non Outage Plant Capitl 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 689,000 |
| 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 | - | - | - | - | - | - | 28,249 |
| 926: A&G Loads | - | - | - | - | - | - | 25,838 |
| 928: AFUDC Debt | - | - | - | - | - | - | 1,941 |
| 929: AFUDC Equity | - | - | - | - | - | - | 2,626 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (747,654) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **75216428** **La Luz Non Outage Plant Capitl 2028**

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information**

| County % | | |
|---|---|---|
| Valencia | 100% | |

Estimated Start Date 1/1/2028

Estimated Completion Date 12/31/2028

Description

(CBI-1) This project funds the emergent replacement or repair of individual pieces of equipment that become damaged, fail or reach the end of their useful. The equipment covered includes, but is not limited to, small motors and small pumps, and other reasonably identified like-in-kind capital replacements. Once such a replacement is identified, it will be processed through this project.

**Project No:** **75216428** **La Luz Non Outage Plant Capitl 2028**

| | |
|---|---|
| Project Need Justification | (CBI-1) PNM routinely inspects equipment to ensure it is in proper working order. If it is not, an evaluation is done to determine how best to address the issue (e.g., repair, replace, etc.). This project ensures the proper replacement of equipment to ensure the plant continues to operate in a safe and reliable manner. |

**Project No:** **75216428** **La Luz Non Outage Plant Capitl 2028**

| | |
|---|---|
| Project Alternatives | The only alternative is do nothing. This is not a viable approach as replacing equipment that is damaged or at the end of useful life is needed to reduce the risk of equipment failure, which could result in damage to other equipment, create a safety risk, and could impact the ability to operate the asset. |

**Project No:** **75216428** **La Luz Non Outage Plant Capitl 2028**

| | |
|---|---|
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |

## Project No: 75216428 La Luz Non Outage Plant Capitl 2028

| | |
|---|---|
| Customer Benefit | Small capital projects support the safe, reliable, environmentally compliant, and cost-effective operation of PNM's power generation assets. These projects address equipment conditions and operational needs identified throughout the year that could potentially affect safety and reliability. |

**Project No:** **75216428** **La Luz Non Outage Plant Capitl 2028**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **75216428** **La Luz Non Outage Plant Capitl 2028**

General Services

Reliability & Resiliency

Emergency replacement projects chosen during the year at La Luz will be developed to ensure a positive impact on reliability.

Safety & Security

Emergency like kind replacement projects often cause safety related issues that create risks to PNM personnel and equipment. As the need arises the chosen replacement projects will be developed to ensure Safety risks are mitigated before returning to service.

Technology Advancements

## Project No: 75216428 La Luz Non Outage Plant Capitl 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: 75216428 La Luz Non Outage Plant Capitl 2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **75216428** **La Luz Non Outage Plant Capitl 2028**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 75216428 La Luz Non Outage Plant Capitl 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 | - | - | - | - | - | 13,917 | 13,917 | 13,917 |
| 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 | - | - | - | - | - | 571 | 571 | 571 |
| 926: A&G Loads | - | - | - | - | - | 488 | 488 | 488 |
| 928: AFUDC Debt | - | - | - | - | - | 16 | 49 | 82 |
| 929: AFUDC Equity | - | - | - | - | - | 26 | 77 | 129 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (45,308) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | 15,018 | 15,103 | (30,121) |

## Project No: 75216428 La Luz Non Outage Plant Capitl 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 13,917 | 13,917 | 13,917 | 13,917 | 13,917 | 13,917 | 125,253 |
| 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 | 571 | 571 | 571 | 571 | 571 | 571 | 5,135 |
| 926: A&G Loads | 488 | 488 | 488 | 488 | 488 | 488 | 4,396 |
| 928: AFUDC Debt | 16 | 49 | 82 | 115 | 148 | 182 | 741 |
| 929: AFUDC Equity | 26 | 77 | 129 | 182 | 234 | 287 | 1,168 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (45,308) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 15,018 | 15,103 | 15,188 | 15,273 | 15,359 | 15,445 | 91,385 |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information**

| | County % | | |
|---|---|---|---|
| | | Valencia | 100% |

Estimated Start Date 7/1/2025

Estimated Completion Date 12/31/2026

Description

(CBI-1) This project will replace the existing Mark VI turbine control system with the modern Mark VI E Distributed Control System (DCS) platform. The current Mark VI control system was retired by the manufacturer in 2009, and lifecycle support ended in 2019, creating increasing challenges in obtaining replacement parts, technical support, and long-term maintenance resources. The upgrade will provide modern controllers, improved cybersecurity features, updated hardware architecture, enhanced diagnostics, alarm management capabilities, and a sustainable platform for future control system enhancements and operational improvements.

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | |
|---|---|
| Project Need Justification | (CBI-1) The existing Mark VI control system has reached a stage of technological obsolescence where manufacturer support and spare part availability are becoming increasingly limited. As critical control system components age, the risk of extended outages due to unavailable replacement parts and reduced technical support continues to increase. Upgrading to the Mark VI E platform will restore vendor support, improve system reliability, enhance cybersecurity protections, and provide modern functionality necessary to support long-term plant operations. The upgrade also establishes the foundation for future control system improvements and integration opportunities. |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | |
|---|---|
| Project Alternatives | If the Mark VI system remains in service, the plant will continue to rely on obsolete control system hardware that is no longer fully supported by the manufacturer. Future equipment failures could result in prolonged outages due to limited spare parts availability and difficulty obtaining technical support. Aging hardware and outdated system architecture may also increase the risk of control system failures, operational disruptions, cybersecurity vulnerabilities, and reduced generating unit availability. Over time, the ability to maintain and troubleshoot the system will become increasingly difficult and costly. |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | |
|---|---|
| Project Estimate Approach | This project was estimated using PNM information from similar capital asset replacements in the recent past. This project will be competitively bid, and acceptable alternative vendors to (GE) General Electric Vendor will be considered. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs. |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | |
|---|---|
| Customer Benefit | Customers benefit through improved reliability and availability of generation resources supported by a modern, fully supported turbine control platform. The upgraded system will reduce the likelihood of control system-related outages, improve operational performance, enhance troubleshooting capabilities, and support more efficient maintenance practices. Improved diagnostics, alarm management, and system monitoring capabilities will enable faster identification and resolution of issues, helping maintain dependable electric service and reducing long-term operating risks. |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | A utility must adhere to NERC Reliability standards that govern operations and planning activities on a Combustion Turbine Generating Station. The NERC (North American Electric Reliability Corporation) standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of Protection systems to prevent mis operation or loss of generation. The Mark VI E Turbine Controls upgrade installation project helps to meet the compliance and reliability required within the PRC-005, by ensuring the turbine equipment has control communications and reporting that ensures emissions are within range and being reported. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

General Services

| | |
|---|---|
| Reliability & Resiliency | Replaces an obsolete control system that no longer has full manufacturer support. Improves turbine and plant control system reliability. Reduces the risk of forced outages caused by aging hardware and unavailable replacement parts. Enhances diagnostic capabilities and operational visibility to support proactive maintenance. Establishes a sustainable platform for future upgrades and long-term asset reliability. |
| Safety & Security | Improves cybersecurity protections through modern control system architecture and supported software. Reduces operational risk associated with obsolete and unsupported control system components. Enhances alarm management and operator awareness during abnormal operating conditions. Improves overall control system integrity and supports secure operation of critical generation assets. Help's protect critical plant infrastructure from evolving technology and security risks. |
| Technology Advancements | The technology advancements included in the Mark VI E Turbine Controls Upgrade project, encompass state-of-the-art control platforms with advanced diagnostics, real-time monitoring, predictive maintenance features, and integration capability with plant-wide automation systems, providing enhanced operational insights and long-term adaptability for emerging control strategies and industry standards |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,878 | - | - | - | - | - | - | 7,878 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 622,476 | - | - | 22,052 | 75,408 | 573,098 | - | 1,293,034 |
| 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 | 567 | - | - | - | - | - | - | 567 |
| 914: Pension and Benefits | 2,553 | - | - | - | - | - | - | 2,553 |
| 915: Injuries and Damages | 845 | - | - | - | - | - | - | 845 |
| 921: Stores Load | 1,537 | - | - | - | - | - | - | 1,537 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | 904 | 3,092 | 23,497 | - | 27,493 |
| 926: A&G Loads | - | - | - | 1,147 | 3,921 | 29,801 | - | 34,869 |
| 928: AFUDC Debt | 12,801 | 1,624 | 1,632 | 1,670 | 1,810 | 2,693 | 3,480 | 25,710 |
| 929: AFUDC Equity | 9,709 | 1,731 | 1,739 | 1,780 | 1,929 | 2,871 | 3,708 | 23,467 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,417,954) | (1,417,954) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 658,366 | 3,355 | 3,372 | 27,553 | 86,160 | 631,960 | (1,410,765) | 0 |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,878 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 1,293,034 | - | - | - | - | - | - |
| 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 | 567 | - | - | - | - | - | - |
| 914: Pension and Benefits | 2,553 | - | - | - | - | - | - |
| 915: Injuries and Damages | 845 | - | - | - | - | - | - |
| 921: Stores Load | 1,537 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 27,493 | - | - | - | - | - | - |
| 926: A&G Loads | 34,869 | - | - | - | - | - | - |
| 928: AFUDC Debt | 25,710 | - | - | - | - | - | - |
| 929: AFUDC Equity | 23,467 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,417,954) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 7,878 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 1,293,034 |
| 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 | - | - | - | 567 |
| 914: Pension and Benefits | - | - | - | 2,553 |
| 915: Injuries and Damages | - | - | - | 845 |
| 921: Stores Load | - | - | - | 1,537 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 27,493 |
| 926: A&G Loads | - | - | - | 34,869 |
| 928: AFUDC Debt | - | - | - | 25,710 |
| 929: AFUDC Equity | - | - | - | 23,467 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,417,954) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | 0 |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,878 | - | - | - | 7,878 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,293,034 | - | - | - | 1,293,034 | - | - | - |
| 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 | 567 | - | - | - | 567 | - | - | - |
| 914: Pension and Benefits | 2,553 | - | - | - | 2,553 | - | - | - |
| 915: Injuries and Damages | 845 | - | - | - | 845 | - | - | - |
| 921: Stores Load | 1,537 | - | - | - | 1,537 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 27,493 | - | - | - | 27,493 | - | - | - |
| 926: A&G Loads | 34,869 | - | - | - | 34,869 | - | - | - |
| 928: AFUDC Debt | 25,710 | - | - | - | 25,710 | - | - | - |
| 929: AFUDC Equity | 23,467 | - | - | - | 23,467 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,417,954) | - | - | - | (1,417,954) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 75216625 La Luz Mark VI E Turbine Controls

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 7,878 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,293,034 |
| 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 | - | - | - | - | - | - | 567 |
| 914: Pension and Benefits | - | - | - | - | - | - | 2,553 |
| 915: Injuries and Damages | - | - | - | - | - | - | 845 |
| 921: Stores Load | - | - | - | - | - | - | 1,537 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 27,493 |
| 926: A&G Loads | - | - | - | - | - | - | 34,869 |
| 928: AFUDC Debt | - | - | - | - | - | - | 25,710 |
| 929: AFUDC Equity | - | - | - | - | - | - | 23,467 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,417,954) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 75216627 La Luz Outage Plant Capital 2027

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information**

| | County % | Valencia | 100% |
|---|---|---|---|

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

(CBI-1) This project will replace and redesign the foundation pedestal supporting the La Luz dilution blower fan. The existing pedestal design has proven inadequate for the operating requirements of the high-speed blower, which operates at approximately 3,600 RPM. The project will provide a properly engineered foundation and support structure capable of maintaining equipment stability, minimizing vibration, and supporting reliable long-term operation of the dilution blower system.

## Project No: 75216627 La Luz Outage Plant Capital 2027

| | |
|---|---|
| Project Need Justification | (CBI-1) The existing pedestal design does not provide sufficient support for the operating characteristics of the blower, resulting in excessive vibration, recurring bearing failures, and increased maintenance costs. Approximately one year ago, a catastrophic fan and bearing failure occurred, demonstrating the severity of the issue. Because the blower is a critical component of plant operation, a properly designed foundation is necessary to improve mechanical reliability, reduce maintenance requirements, and address safety concerns associated with high-speed rotating equipment. |

**Project No:** **75216627** **La Luz Outage Plant Capital 2027**

Project Alternatives

(CBI-1) If the pedestal is not replaced, excessive vibration and mechanical stresses are likely to continue, resulting in recurring bearing failures, equipment damage, and increased maintenance costs. Continued operation under these conditions elevates the risk of additional catastrophic equipment failures that could create personnel safety hazards, damage adjacent equipment, and impact plant operations. Unplanned outages or operational restrictions may result if the blower becomes unavailable.

## Project No: 75216627 La Luz Outage Plant Capital 2027

| | |
|---|---|
| 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: 75216627 La Luz Outage Plant Capital 2027

| | |
|---|---|
| Customer Benefit | Customers benefit from improved equipment reliability and reduced risk of forced outages caused by blower system failures. Correcting the underlying design deficiency reduces maintenance costs, improves equipment availability, and helps ensure reliable plant operation. Preventing future catastrophic failures also avoids costly emergency repairs and supports efficient operation of the generating facility. |

## Project No: 75216627 La Luz Outage Plant Capital 2027

| | |
|---|---|
| Primary Value Driver | Safety & Security |
| Compliance | A utility must adhere to NERC Reliability standards that govern operations and planning activities on a Combustion Turbine Generating Station. The NERC (North American Electric Reliability Corporation) standard in this case is PRC-005, in which guidelines are set and followed to ensure operation integrity and reliability of Protection systems to prevent mis operation or loss of generation. The installation of the pedestal for the dilution blower helps to meet the compliance and reliability required within the PRC-005, by ensuring the temperature and air coverage is sufficient for the catalyst process on the SCR ( Self Catalytic Reduction equipment) . With the blower emissions can be maintained by the SCR's. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **75216627** **La Luz Outage Plant Capital 2027**

General Services

Reliability & Resiliency

Eliminates a recurring source of bearing failures and equipment outages. Improves blower reliability and reduces maintenance requirements. Supports continued plant availability and operational performance.

Safety & Security

Customers benefit from improved equipment reliability and reduced risk of forced outages caused by blower system failures. Correcting the underlying design deficiency reduces maintenance costs, improves equipment availability, and helps ensure reliable plant operation. Preventing future catastrophic failures also avoids costly emergency repairs and supports efficient operation of the generating facility.

Technology Advancements

## Project No: 75216627 La Luz Outage Plant Capital 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: 75216627 La Luz Outage Plant Capital 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **75216627** **La Luz Outage Plant Capital 2027**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 75216627 La Luz Outage Plant Capital 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 | - | 753,000 | - | - | 753,000 | - | - | - |
| 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 | - | 30,873 | - | - | 30,873 | - | - | - |
| 926: A&G Loads | - | 28,238 | - | - | 28,238 | - | - | - |
| 928: AFUDC Debt | - | 904 | - | - | 904 | - | - | - |
| 929: AFUDC Equity | - | 1,222 | - | - | 1,222 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (814,236) | - | - | (814,236) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 75216627 La Luz Outage Plant Capital 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 753,000 |
| 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 | - | - | - | - | - | - | 30,873 |
| 926: A&G Loads | - | - | - | - | - | - | 28,238 |
| 928: AFUDC Debt | - | - | - | - | - | - | 904 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,222 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (814,236) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 75216725 La Luz Balance of Plant Controls

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information**

| | County % | | |
|---|---|---|---|
| | | Valencia | 100% |

Estimated Start Date 7/1/2025

Estimated Completion Date 12/31/2026

Description

(CBI-1) This project will replace the existing Pro Energy Supervisory Control and Data Acquisition (SCADA) system with a Foxboro SCADA system for the La Luz Generating Station. The existing Pro Energy system collects and displays operational data from plant Programmable Logic Controllers (PLCs) and the turbine/generator Woodward control system through engineering workstations, operator interfaces, and historical data storage capabilities. The new Foxboro SCADA platform will modernize plant monitoring and control functions while providing a system that can be more effectively maintained and supported by internal PNM engineering personnel.

## Project No: 75216725 La Luz Balance of Plant Controls

| | |
|---|---|
| Project Need Justification | (CBI-1) The existing Pro Energy SCADA system has become increasingly difficult to support and maintain. Vendor support is limited, system training opportunities are difficult to obtain, and the plant relies on third-party resources to maintain and modify the system. The station also currently incurs ongoing annual maintenance expenses to support the platform. This makes the current system difficult to support, modify, and maintain. Replacing the system with a Foxboro SCADA platform will improve maintainability, reduce dependence on outside vendors, enhance system supportability, and allow PNM personnel to make future modifications and improvements using existing in-house engineering resources. The upgrade will also improve long-term operational sustainability and reduce lifecycle support concerns. |

## Project No: 75216725 La Luz Balance of Plant Controls

Project Alternatives

If the existing Pro Energy system remains in service, the plant will continue to rely on a platform that is difficult to support, modify, and maintain. Future hardware or software issues may result in increased downtime, higher maintenance costs, and delayed repairs due to limited vendor support. Continued dependence on third-party resources may increase operating costs and reduce the plant's ability to quickly implement system changes or respond to operational issues. Over time, these challenges could negatively impact plant reliability, operator effectiveness, and long-term supportability of critical control and monitoring functions.

## Project No: 75216725 La Luz Balance of Plant Controls

| | |
|---|---|
| Project Estimate Approach | This project was estimated using PNM information from similar capital asset replacements in the recent past. This project will be competitively bid, and acceptable alternative vendors to GE will be considered. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs. |

**Project No:** **75216725** **La Luz Balance of Plant Controls**

| | |
|---|---|
| Customer Benefit | Customers benefit from improved reliability and maintainability of critical plant control and monitoring systems. The Foxboro platform will provide a more sustainable and supportable solution that allows internal staff to troubleshoot, maintain, and improve the system more efficiently. Reduced maintenance costs, improved system reliability, and faster response to operational issues help support dependable generation availability and prudent management of utility resources. The project also positions the station for future operational improvements and technology enhancements that can continue to provide value over the life of the asset. |

## Project No: 75216725 La Luz Balance of Plant Controls

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | |
| Customer Delivery | Supports reliable generation availability through improved control system performance and maintainability. Reduces ongoing maintenance costs associated with third-party support contracts. Enables faster implementation of operational improvements and system modifications. Improves operator access to plant information, historical data, and system diagnostics. Supports dependable electric service through improved operational efficiency and asset management. |
| Energy Transition | |

**Project No:** **75216725** **La Luz Balance of Plant Controls**

General Services

Reliability & Resiliency

Replaces a difficult-to-support SCADA platform with a modern, maintainable control and monitoring system. Improves reliability of plant monitoring, operational control, and data collection functions. Reduces dependence on third-party vendors for troubleshooting and system modifications. Enhances long-term supportability and sustainability of critical plant control infrastructure. Improves plant operational responsiveness and reduces the risk of control system-related disruptions.

Safety & Security

Technology Advancements

The technology advancements included in the Foxboro Balance of Plant Controls Upgrade project, encompass state-of-the-art control platforms with advanced diagnostics, real-time monitoring, predictive maintenance features, and integration capability with plant-wide automation systems, providing enhanced operational insights and long-term adaptability for emerging control strategies and industry standards

## Project No: 75216725 La Luz Balance of Plant Controls

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 21,655 | - | - | - | - | - | - | 21,655 |
| 120: Overtime-General | 1,474 | - | - | - | - | - | - | 1,474 |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 623,738 | 179,327 | - | 169,723 | 249,788 | 2,524 | - | 1,225,100 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,494 | - | - | - | - | - | - | 1,494 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,667 | - | - | - | - | - | - | 1,667 |
| 914: Pension and Benefits | 7,194 | - | - | - | - | - | - | 7,194 |
| 915: Injuries and Damages | 2,586 | - | - | - | - | - | - | 2,586 |
| 921: Stores Load | 1,271 | - | - | - | - | - | - | 1,271 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 7,352 | - | 6,959 | 10,241 | 104 | - | 24,656 |
| 926: A&G Loads | - | 9,325 | - | 8,826 | 12,989 | 131 | - | 31,271 |
| 928: AFUDC Debt | 8,747 | 1,911 | 2,162 | 2,402 | 2,980 | 3,335 | - | 21,536 |
| 929: AFUDC Equity | 6,797 | 2,036 | 2,304 | 2,560 | 3,176 | 3,554 | - | 20,427 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (1,360,331) | - | (1,360,331) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 676,623 | 199,951 | 4,466 | 190,469 | 279,173 | (1,350,683) | - | 0 |

## Project No: 75216725 La Luz Balance of Plant Controls

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 21,655 | - | - | - | - | - | - |
| 120: Overtime-General | 1,474 | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 1,225,100 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,494 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,667 | - | - | - | - | - | - |
| 914: Pension and Benefits | 7,194 | - | - | - | - | - | - |
| 915: Injuries and Damages | 2,586 | - | - | - | - | - | - |
| 921: Stores Load | 1,271 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 24,656 | - | - | - | - | - | - |
| 926: A&G Loads | 31,271 | - | - | - | - | - | - |
| 928: AFUDC Debt | 21,536 | - | - | - | - | - | - |
| 929: AFUDC Equity | 20,427 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,360,331) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 75216725 La Luz Balance of Plant Controls

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 21,655 |
| 120: Overtime-General | - | - | - | 1,474 |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 1,225,100 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,494 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 1,667 |
| 914: Pension and Benefits | - | - | - | 7,194 |
| 915: Injuries and Damages | - | - | - | 2,586 |
| 921: Stores Load | - | - | - | 1,271 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 24,656 |
| 926: A&G Loads | - | - | - | 31,271 |
| 928: AFUDC Debt | - | - | - | 21,536 |
| 929: AFUDC Equity | - | - | - | 20,427 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,360,331) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | 0 |

## Project No: 75216725 La Luz Balance of Plant Controls

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 21,655 | - | - | - | 21,655 | - | - | - |
| 120: Overtime-General | 1,474 | - | - | - | 1,474 | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,225,100 | - | - | - | 1,225,100 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,494 | - | - | - | 1,494 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,667 | - | - | - | 1,667 | - | - | - |
| 914: Pension and Benefits | 7,194 | - | - | - | 7,194 | - | - | - |
| 915: Injuries and Damages | 2,586 | - | - | - | 2,586 | - | - | - |
| 921: Stores Load | 1,271 | - | - | - | 1,271 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 24,656 | - | - | - | 24,656 | - | - | - |
| 926: A&G Loads | 31,271 | - | - | - | 31,271 | - | - | - |
| 928: AFUDC Debt | 21,536 | - | - | - | 21,536 | - | - | - |
| 929: AFUDC Equity | 20,427 | - | - | - | 20,427 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,360,331) | - | - | - | (1,360,331) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 75216725 La Luz Balance of Plant Controls

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 21,655 |
| 120: Overtime-General | - | - | - | - | - | - | 1,474 |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,225,100 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,494 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 1,667 |
| 914: Pension and Benefits | - | - | - | - | - | - | 7,194 |
| 915: Injuries and Damages | - | - | - | - | - | - | 2,586 |
| 921: Stores Load | - | - | - | - | - | - | 1,271 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 24,656 |
| 926: A&G Loads | - | - | - | - | - | - | 31,271 |
| 928: AFUDC Debt | - | - | - | - | - | - | 21,536 |
| 929: AFUDC Equity | - | - | - | - | - | - | 20,427 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,360,331) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 0 |

# PNM Exhibit WWG – 3

## Transmission Capital Investments

***Is contained in the following 98 pages.***

# PNM EXHIBIT WWG-3 Transmission Capital Projects

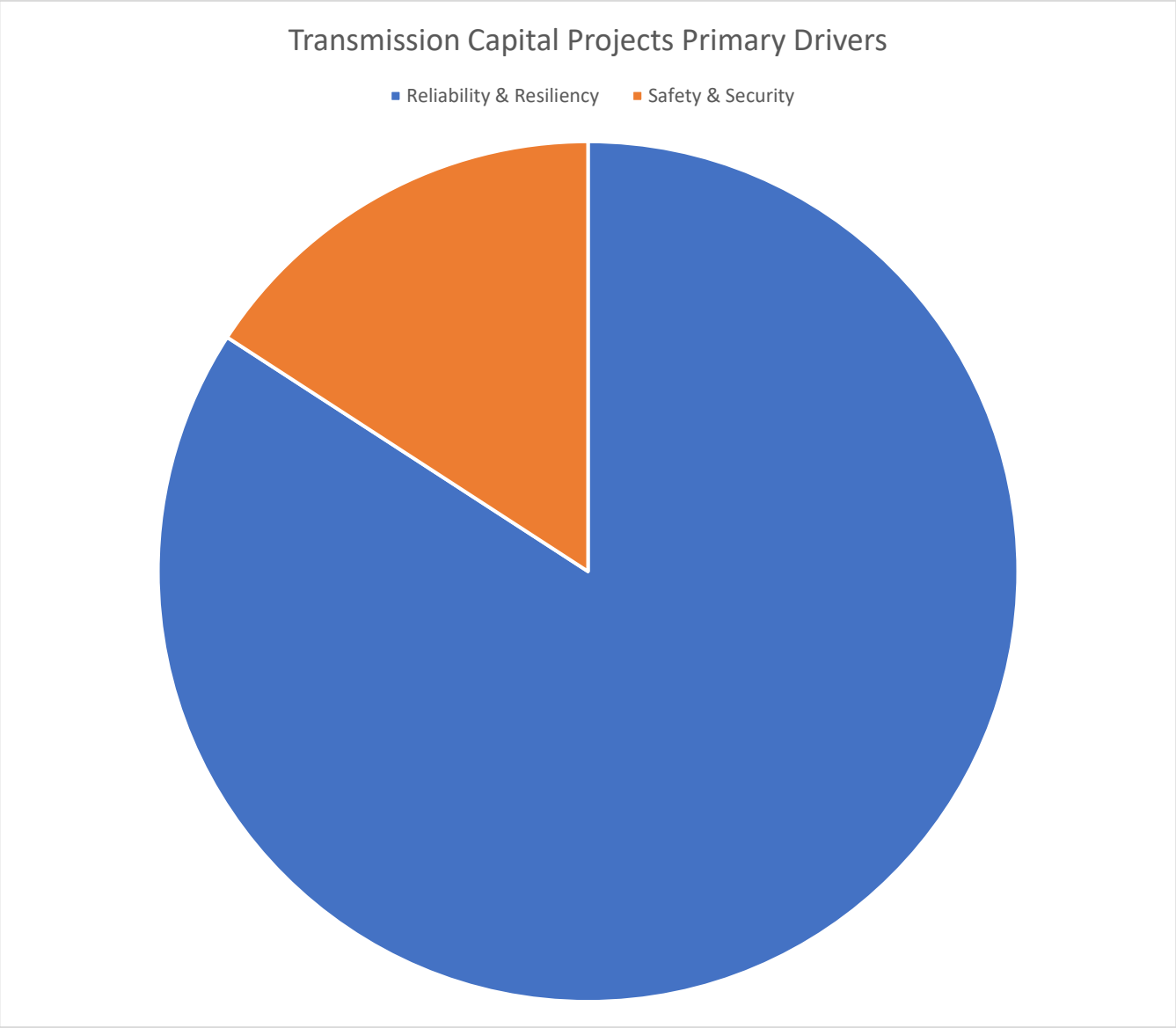
Project costs & closings data based on PowerPlan forecasted dollars.
Project information based on SharePoint supplemental data.
In Excel, click/tap a project number below to view detailed information for that project.
In Excel, hold CTRL button and click/tap left or right arrow to left of the sheet tabs 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.

## Table of Contents


| Project # | Project Name | Net BegBal-Jul-26 | Costs 7/26-9/28 | Clearings 7/26-9/28 |
|---|---|---|---|---|
| 22007021 | Gila National Forest Co02 | 187,693 | 2,958,823 | (3,146,516) |
| 22007110 | Misc. 115kv Trans Imp Blanket | - | 262,948 | (212,109) |
| 64807321 | System Equipment Upgrade-WFF | 156,370 | 797 | (157,167) |
| 65007010 | Misc. Station Improvements | 92,442 | 386 | (92,828) |
| 65007110 | Misc. Transmission Blanket | 1,785,563 | 12,225,521 | (12,358,353) |
| 65007710 | Switch Stations Replacements IA | 1,884,711 | 3,703,729 | (5,085,644) |
| 65007713 | Trans Sub Ground Repairs Blanket | - | 502,120 | (290,328) |
| 65007914 | Relay IA | 223,975 | 158,034 | (358,023) |
| **Totals** | | **4,330,755** | **19,812,358** | **(21,700,968)** |


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 |
|---|---|---|
| 65007424 | Sandia Battery Storage 60MW-CO2 | (11,923) |
| 65028026 | NM Wholesale MV90 Upgrade 2026 | 160 |
| **Total** | | **(11,764)** |




| Primary Driver | Project # | Project Name | Clearings 7/26-9/28 |
|---|---|---|---|
| **Reliability & Resiliency** | **22007110** | **Misc. 115kv Trans Imp Blanket** | (212,109) |
| **Reliability & Resiliency** | **64807321** | **System Equipment Upgrade-WFF** | (157,167) |
| **Reliability & Resiliency** | **65007010** | **Misc. Station Improvements** | (92,828) |
| **Reliability & Resiliency** | **65007110** | **Misc. Transmission Blanket** | (12,358,353) |
| **Reliability & Resiliency** | **65007710** | **Switch Stations Replacements IA** | (5,085,644) |
| **Reliability & Resiliency** | **65007914** | **Relay IA** | (358,023) |
| **Safety & Security** | **22007021** | **Gila National Forest Co02** | (3,146,516) |
| **Safety & Security** | **65007713** | **Trans Sub Ground Repairs Blanket** | (290,328) |
| **Grand Total** | | | **(21,700,968)** |

| Driver | Percentage | Amount |
|---|---|---|
| Reliability & Resiliency | 84.16% | (18,264,124) |
| Safety & Security | 15.84% | (3,436,844) |
| | 100.00% | (21,700,968) |

## Project No: 22007021 Gila National Forest Co02

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

**Project Information** County % Grant 100%

Estimated Start Date 7/7/2021

Estimated Completion Date 12/31/2026

Description

PNM has established a Wildfire Mitigation Program (WMP) to identify wildfire risk drivers and develop tactics and strategies to mitigate those risks. This project will extend the rights-of-way (ROWs) in the Gila National Forest to 40 feet to reduce the exposure and risk of vegetation caused outages and wildfires.

As part of this project, a cultural survey will also be conducted along all portions of lines that have never been surveyed. This work will be done before the commencement of vegetation management efforts.

## Project No: 22007021 Gila National Forest Co02

| | |
|---|---|
| Project Need Justification | In recent years, the western United States has seen an increase in damaging wildfire activity. A contributing factor to this increase is climate change. Both climatologists and fire scientists anticipate longer fire seasons and more extreme fire behavior in future years. This new normal will require new coping stratagems. To address these changing conditions, PNM has established an agreement with the Gila National Forest to extend ROWs to reduce the risk of trees falling on power lines which could spark fires. |

**Project No:** **22007021 Gila National Forest Co02**

| | |
|---|---|
| Project Alternatives | The only alternative is to continue with “business as usual” (i.e., do nothing). This is not a viable solution as this project is needed to reduce the risk and intensity of wildfire events. |

## Project No: 22007021 Gila National Forest Co02

| | |
|---|---|
| Project Estimate Approach | The costs of this project were estimated using costs from similar vegetation management efforts performed recently. Given the nature of this work in the Gila National Forest, this estimate also includes projected costs associated with conducting a biological assessment and performing cultural surveys on the portions of ROW that have never been surveyed. |

**Project No:** **22007021 Gila National Forest Co02**

Customer Benefit

This project will serve as a blueprint to help reduce the risk of PNM infrastructure or operations being the cause of unwanted wild land fire ignitions on Forest Service property.

**Project No:** **22007021** **Gila National Forest Co02**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

**Project No:** **22007021** **Gila National Forest Co02**

General Services

Reliability & Resiliency

Safety & Security

This program is aimed at reducing the frequency and intensity of wildfires which should reduce safety risks to company personnel and the general public.

Technology Advancements

## Project No: 22007021 Gila National Forest Co02

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 32,242 | 1,393 | 929 | 1,393 | 929 | 1,393 | 929 | 39,207 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 100,393 | 436,473 | 436,473 | 436,473 | 436,473 | 436,473 | 429,508 | 2,712,266 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 37 | - | - | - | - | - | - | 37 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 2,508 | 106 | 71 | 106 | 71 | 106 | 71 | 3,038 |
| 914: Pension and Benefits | 6,580 | 259 | 173 | 259 | 173 | 259 | 173 | 7,877 |
| 915: Injuries and Damages | 4,857 | 276 | 184 | 276 | 184 | 276 | 184 | 6,236 |
| 921: Stores Load | 308 | - | - | - | - | - | - | 308 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 7,286 | 25,214 | 25,175 | 25,214 | 25,175 | 25,214 | 24,775 | 158,054 |
| 926: A&G Loads | 5,273 | 22,769 | 22,745 | 22,769 | 22,745 | 22,769 | 22,383 | 141,453 |
| 928: AFUDC Debt | 15,483 | 1,051 | 2,231 | 3,418 | 4,610 | 5,809 | 7,004 | 39,606 |
| 929: AFUDC Equity | 12,725 | 1,120 | 2,378 | 3,642 | 4,913 | 6,191 | 7,465 | 38,434 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (3,088,336) | (3,088,336) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (58,180) | (58,180) |
| Project Net | 187,693 | 488,661 | 490,359 | 493,551 | 495,273 | 498,490 | (2,654,026) | 0 |

## Project No: 22007021 Gila National Forest Co02

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 39,207 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 2,712,266 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 37 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,038 | - | - | - | - | - | - |
| 914: Pension and Benefits | 7,877 | - | - | - | - | - | - |
| 915: Injuries and Damages | 6,236 | - | - | - | - | - | - |
| 921: Stores Load | 308 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 158,054 | - | - | - | - | - | - |
| 926: A&G Loads | 141,453 | - | - | - | - | - | - |
| 928: AFUDC Debt | 39,606 | - | - | - | - | - | - |
| 929: AFUDC Equity | 38,434 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,088,336) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (58,180) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 22007021 Gila National Forest Co02

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 39,207 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 2,712,266 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 37 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 3,038 |
| 914: Pension and Benefits | - | - | - | 7,877 |
| 915: Injuries and Damages | - | - | - | 6,236 |
| 921: Stores Load | - | - | - | 308 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 158,054 |
| 926: A&G Loads | - | - | - | 141,453 |
| 928: AFUDC Debt | - | - | - | 39,606 |
| 929: AFUDC Equity | - | - | - | 38,434 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (3,088,336) |
| 825: Closing Cost of Removal | - | - | - | (58,180) |
| Project Net | - | - | - | 0 |

## Project No: 22007021 Gila National Forest Co02

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 39,207 | - | - | - | 39,207 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 2,712,266 | - | - | - | 2,712,266 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 37 | - | - | - | 37 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,038 | - | - | - | 3,038 | - | - | - |
| 914: Pension and Benefits | 7,877 | - | - | - | 7,877 | - | - | - |
| 915: Injuries and Damages | 6,236 | - | - | - | 6,236 | - | - | - |
| 921: Stores Load | 308 | - | - | - | 308 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 158,054 | - | - | - | 158,054 | - | - | - |
| 926: A&G Loads | 141,453 | - | - | - | 141,453 | - | - | - |
| 928: AFUDC Debt | 39,606 | - | - | - | 39,606 | - | - | - |
| 929: AFUDC Equity | 38,434 | - | - | - | 38,434 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,088,336) | - | - | - | (3,088,336) | - | - | - |
| 825: Closing Cost of Removal | (58,180) | - | - | - | (58,180) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 22007021 Gila National Forest Co02

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 39,207 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 2,712,266 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 37 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 3,038 |
| 914: Pension and Benefits | - | - | - | - | - | - | 7,877 |
| 915: Injuries and Damages | - | - | - | - | - | - | 6,236 |
| 921: Stores Load | - | - | - | - | - | - | 308 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 158,054 |
| 926: A&G Loads | - | - | - | - | - | - | 141,453 |
| 928: AFUDC Debt | - | - | - | - | - | - | 39,606 |
| 929: AFUDC Equity | - | - | - | - | - | - | 38,434 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (3,088,336) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (58,180) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 22007110 Misc. 115kv Trans Imp Blanket

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

**Project Information**

Estimated Start Date 10/2/2008

Estimated Completion Date 12/31/2032

| County % | |
|---|---|
| Grant | 40% |
| Otero | 30% |
| Luna | 20% |
| Hidalgo | 10% |

Description

PNM routinely inspects its 115kV transmission lines in Southern New Mexico and identifies equipment or materials that need to be repaired or replaced.

This project includes multiple tasks that are aimed at improving reliability and maintainability and enhancing the safe operations of the transmission system. Tasks are prioritized based on risk to the operation of the system. Examples of work required as a result of these inspections include, but are not limited to, replacing damaged porcelain insulators with more robust non-ceramic insulators, installing modular steel truss tops to replace failed wood cross-arms and braces, replacing structures to provide enhanced clearances, and installing new line sectionalizing switches to provide more reliable and safe switching operations.

## Project No: 22007110 Misc. 115kv Trans Imp Blanket

| | |
|---|---|
| Project Need Justification | The specific tasks to be completed as part of this project were identified during the inspection process. These tasks will be prioritized based on the potential impact to safety, reliability, and security. No completing these tasks would lead safety risks for both employees and the public, increased likelihood of equipment failure that would negatively impact reliability, and the potential for outages. |

**Project No:** **22007110 Misc. 115kv Trans Imp Blanket**

Project Alternatives

Alternatives are considered on a project-by-project basis. Alternatives considered might include the do-nothing approach, or a risk-of-failure assessment. For example, when considering transmission line material, improved materials such as polymer insulators or prefabricated steel truss framing are typically used to replaced original material. Driven steel ground line pole reinforcing may be chosen as an alternative to complete replacement of a rotten wood pole due to its improved strength and durability.

**Project No:** **22007110** **Misc. 115kv Trans Imp Blanket**

| | |
|---|---|
| Project Estimate Approach | Project estimation is based on an adjusted average cost from similar work performed in previous years. This project covers emergent work so variances are possible. |

**Project No:** **22007110 Misc. 115kv Trans Imp Blanket**

| | |
|---|---|
| Customer Benefit | By addressing issues identified during inspection, the company can proactively replace equipment and make other improvements that will reduce the likelihood of system interruptions and improve restoration times. |

**Project No:** **22007110 Misc. 115kv Trans Imp Blanket**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **22007110** **Misc. 115kv Trans Imp Blanket**

General Services

Reliability & Resiliency

Repairs and modifications completed as part of this project are aimed at reducing system interruptions and outages related to transmission lines.

Safety & Security

Improved reliability, maintenance, and enhancements of transmission lines can help mitigate the risk of employee and public safety incidents.

Technology Advancements

## Project No: 22007110 Misc. 115kv Trans Imp Blanket

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 137,845 | 2,709 | 2,709 | 2,709 | 2,709 | 2,709 | 2,709 | 154,099 |
| 120: Overtime-General | 42,151 | - | - | - | - | - | - | 42,151 |
| 350: Material Issues-Major | 155,422 | 769 | 769 | 769 | 769 | 769 | 769 | 160,034 |
| 370: Outside Services | 112,198 | 2,793 | 2,793 | 2,793 | 2,793 | 2,793 | 2,793 | 128,958 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 90,118 | 165 | 165 | 165 | 165 | 165 | 165 | 91,107 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 13,067 | 206 | 206 | 206 | 206 | 206 | 206 | 14,305 |
| 914: Pension and Benefits | 52,629 | 504 | 504 | 504 | 504 | 504 | 504 | 55,654 |
| 915: Injuries and Damages | 15,079 | 536 | 536 | 536 | 536 | 536 | 536 | 18,297 |
| 921: Stores Load | 9,037 | 33 | 33 | 33 | 33 | 33 | 33 | 9,235 |
| 922: Minor Material Load | (408) | - | - | - | - | - | - | (408) |
| 925: E&S Loads | 36,100 | 442 | 442 | 442 | 442 | 442 | 442 | 38,751 |
| 926: A&G Loads | 27,515 | 335 | 335 | 335 | 335 | 335 | 335 | 29,522 |
| 928: AFUDC Debt | 52,381 | 10 | 31 | 31 | 31 | 52 | 72 | 52,608 |
| 929: AFUDC Equity | 56,389 | 11 | 33 | 33 | 33 | 55 | 77 | 56,631 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (713,979) | - | (8,365) | (8,375) | - | - | (33,662) | (764,382) |
| 825: Closing Cost of Removal | (85,545) | - | (170) | (170) | - | - | (679) | (86,564) |
| Project Net | 0 | 8,513 | 21 | 11 | 8,556 | 8,599 | (25,700) | - |

## Project No: 22007110 Misc. 115kv Trans Imp Blanket

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 154,099 | 2,774 | 2,774 | 2,774 | 2,774 | 2,774 | 2,774 |
| 120: Overtime-General | 42,151 | - | - | - | - | - | - |
| 350: Material Issues-Major | 160,034 | 780 | 780 | 780 | 780 | 780 | 780 |
| 370: Outside Services | 128,958 | 3,240 | 3,240 | 3,240 | 3,240 | 3,240 | 3,240 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 91,107 | 167 | 167 | 167 | 167 | 167 | 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 | 14,305 | 229 | 229 | 229 | 229 | 229 | 229 |
| 914: Pension and Benefits | 55,654 | 527 | 527 | 527 | 527 | 527 | 527 |
| 915: Injuries and Damages | 18,297 | 526 | 526 | 526 | 526 | 526 | 526 |
| 921: Stores Load | 9,235 | 25 | 25 | 25 | 25 | 25 | 25 |
| 922: Minor Material Load | (408) | - | - | - | - | - | - |
| 925: E&S Loads | 38,751 | 1,236 | 1,236 | 1,236 | 1,236 | 1,236 | 1,236 |
| 926: A&G Loads | 29,522 | 261 | 261 | 261 | 261 | 261 | 261 |
| 928: AFUDC Debt | 52,608 | 11 | 32 | 53 | 75 | 97 | 119 |
| 929: AFUDC Equity | 56,631 | 14 | 43 | 72 | 102 | 131 | 160 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (764,382) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (86,564) | - | - | - | - | - | - |
| Project Net | - | 9,791 | 9,841 | 9,892 | 9,942 | 9,993 | 10,045 |

## Project No: 22007110 Misc. 115kv Trans Imp Blanket

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 2,774 | 2,774 | 2,774 | 179,065 |
| 120: Overtime-General | - | - | - | 42,151 |
| 350: Material Issues-Major | 780 | 780 | 780 | 167,054 |
| 370: Outside Services | 3,240 | 3,240 | 3,240 | 158,118 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 167 | 167 | 167 | 92,610 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 229 | 229 | 229 | 16,368 |
| 914: Pension and Benefits | 527 | 527 | 527 | 60,395 |
| 915: Injuries and Damages | 526 | 526 | 526 | 23,031 |
| 921: Stores Load | 25 | 25 | 25 | 9,464 |
| 922: Minor Material Load | - | - | - | (408) |
| 925: E&S Loads | 1,236 | 1,236 | 1,236 | 49,879 |
| 926: A&G Loads | 261 | 261 | 261 | 31,872 |
| 928: AFUDC Debt | 140 | 162 | 98 | 53,395 |
| 929: AFUDC Equity | 190 | 220 | 132 | 57,696 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | (39,093) | - | (803,475) |
| 825: Closing Cost of Removal | - | (781) | - | (87,345) |
| Project Net | 10,096 | (29,726) | 9,996 | 49,870 |

## Project No: 22007110 Misc. 115kv Trans Imp Blanket

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 179,065 | 2,774 | 2,774 | 2,774 | 187,387 | - | - | - |
| 120: Overtime-General | 42,151 | - | - | - | 42,151 | - | - | - |
| 350: Material Issues-Major | 167,054 | 780 | 780 | 780 | 169,394 | 1,942 | 1,942 | 1,942 |
| 370: Outside Services | 158,118 | 3,240 | 3,240 | 3,240 | 167,838 | 6,392 | 6,392 | 6,392 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 92,610 | 167 | 167 | 167 | 93,111 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 16,368 | 229 | 229 | 229 | 17,055 | - | - | - |
| 914: Pension and Benefits | 60,395 | 527 | 527 | 527 | 61,975 | - | - | - |
| 915: Injuries and Damages | 23,031 | 526 | 526 | 526 | 24,609 | - | - | - |
| 921: Stores Load | 9,464 | 25 | 25 | 25 | 9,541 | 63 | 63 | 63 |
| 922: Minor Material Load | (408) | - | - | - | (408) | - | - | - |
| 925: E&S Loads | 49,879 | 1,236 | 1,236 | 1,236 | 53,588 | 1,250 | 1,250 | 1,250 |
| 926: A&G Loads | 31,872 | 261 | 261 | 261 | 32,655 | 293 | 293 | 293 |
| 928: AFUDC Debt | 53,395 | 119 | 141 | 163 | 53,819 | 11 | 32 | 53 |
| 929: AFUDC Equity | 57,696 | 162 | 191 | 221 | 58,270 | 17 | 50 | 84 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (803,475) | - | - | (78,603) | (882,078) | - | - | - |
| 825: Closing Cost of Removal | (87,345) | - | - | (1,563) | (88,908) | - | - | - |
| Project Net | 49,870 | 10,047 | 10,098 | (70,015) | - | 9,967 | 10,022 | 10,078 |

## Project No: 22007110 Misc. 115kv Trans Imp Blanket

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 187,387 |
| 120: Overtime-General | - | - | - | - | - | - | 42,151 |
| 350: Material Issues-Major | 1,942 | 1,942 | 1,942 | 1,942 | 1,942 | 1,942 | 186,872 |
| 370: Outside Services | 6,392 | 6,392 | 6,392 | 6,392 | 6,392 | 6,392 | 225,366 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 93,111 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 17,055 |
| 914: Pension and Benefits | - | - | - | - | - | - | 61,975 |
| 915: Injuries and Damages | - | - | - | - | - | - | 24,609 |
| 921: Stores Load | 63 | 63 | 63 | 63 | 63 | 63 | 10,112 |
| 922: Minor Material Load | - | - | - | - | - | - | (408) |
| 925: E&S Loads | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 64,839 |
| 926: A&G Loads | 293 | 293 | 293 | 293 | 293 | 293 | 35,288 |
| 928: AFUDC Debt | 75 | 97 | 118 | 140 | 162 | 98 | 54,605 |
| 929: AFUDC Equity | 118 | 152 | 187 | 221 | 256 | 154 | 59,510 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (39,852) | - | (921,930) |
| 825: Closing Cost of Removal | - | - | - | - | (795) | - | (89,703) |
| Project Net | 10,133 | 10,189 | 10,245 | 10,302 | (30,289) | 10,192 | 50,839 |

## Project No: 64807321 System Equipment Upgrade-WFF

Company: 002 Transmission Services
Location: 648 Transmission General 2

**Project Information** County % Total System 100%

Estimated Start Date 12/1/2020

Estimated Completion Date 12/31/2026

Description

Equipment standard drawings were generated, and equipment purchased as follows: 115kV SEL Line relay panels for transformers, breakers and line terminals, 46 kV SEL Relay panels for transformers, breakers and line terminals, 345kV circuit voltage transformers, and telecommunication engineering and design standards to upgrade the communication for this equipment.

This project is to acquire long-lead time equipment to support aging infrastructure replacement projects and ensure critical spare inventory is on hand to restore service in the case of unexpected equipment failures. The equipment purchased will support the PNM Infrastructure Investment Initiative that focuses on replacing and upgrading aging system infrastructure and will be used to support partial or complete substation rebuilds, and transmission line rebuilds.

**Project No:** **64807321** **System Equipment Upgrade-WFF**

Project Need Justification

As existing infrastructure throughout PNM's system ages and reaches the end of its useful life, new equipment is needed to ensure the safe and reliable operation of the of both the transmission and distribution system. Given ongoing supply chain constraints, PNM sees the need to order equipment earlier than normal to ensure it has the necessary equipment on hand to replace equipment or facilities that are at or beyond the end of their useful life.

**Project No:** **64807321** **System Equipment Upgrade-WFF**

Project Alternatives

The only alternative is to do nothing. This alternative was not considered as aging equipment and infrastructure are more susceptible to faults and failures that could trigger outages that negatively affect system reliability and customers. Not having readily available spare equipment will increase the time to restoration.

**Project No:** **64807321** **System Equipment Upgrade-WFF**

| | |
|---|---|
| Project Estimate Approach | The estimate was based on both prior experiences purchasing similar equipment as well as vendor quotes for the specific equipment to be procured. |

**Project No:** **64807321** **System Equipment Upgrade-WFF**

| | |
|---|---|
| Customer Benefit | The ready access to necessary equipment will reduce restoration times, directly benefitting customers. By proactively purchasing equipment that is in high demand, the company is also hedging against supply chain risks. |

**Project No:** **64807321** **System Equipment Upgrade-WFF**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **64807321** **System Equipment Upgrade-WFF**

General Services

Reliability & Resiliency

The ready access to necessary equipment will reduce restoration times and ensure service is provided faster to customer.

Safety & Security

Technology Advancements

## Project No: 64807321 System Equipment Upgrade-WFF

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 139,685 | - | - | - | - | - | - | 139,685 |
| 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 | 10,198 | 386 | - | - | - | - | - | 10,583 |
| 929: AFUDC Equity | 6,488 | 411 | - | - | - | - | - | 6,899 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (157,167) | - | - | - | - | - | (157,167) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 156,370 | (156,370) | - | - | - | - | - | - |

**Project No:** **64807321** **System Equipment Upgrade-WFF**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 139,685 | - | - | - | - | - | - |
| 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 | 10,583 | - | - | - | - | - | - |
| 929: AFUDC Equity | 6,899 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (157,167) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **64807321** **System Equipment Upgrade-WFF**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 139,685 |
| 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 | - | - | - | 10,583 |
| 929: AFUDC Equity | - | - | - | 6,899 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (157,167) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | - |

## Project No: 64807321 System Equipment Upgrade-WFF

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 139,685 | - | - | - | 139,685 | - | - | - |
| 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 | 10,583 | - | - | - | 10,583 | - | - | - |
| 929: AFUDC Equity | 6,899 | - | - | - | 6,899 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (157,167) | - | - | - | (157,167) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 64807321 System Equipment Upgrade-WFF

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 139,685 |
| 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 | - | - | - | - | - | - | 10,583 |
| 929: AFUDC Equity | - | - | - | - | - | - | 6,899 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (157,167) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

**Project No:** **65007010** **Misc. Station Improvements**

Company: 002 Transmission Services
Location: 650 Transmission General

**Project Information** County % Total System 100%

Estimated Start Date 10/9/2008

Estimated Completion Date 12/31/2032

Description

This project is for ongoing capital projects at transmission substations. Specifically, this project is to replace station equipment that is failing, obsolete, cannot be readily repaired, or no longer supports modern safety and reliability requirements. Typical work includes equipment replacement, bushing replacements, and adding or replacing surge arrestors, switch operator ground mats, or isolation switch replacements.

## Project No: 65007010 Misc. Station Improvements

Project Need Justification

This project focuses on replacing equipment that is either failing, obsolete, cannot be readily repaired, or no longer complies with safety and reliability requirements. Additionally, existing infrastructure that no longer provides favorable ergonomics for worker safety will also be replaced. New equipment will address these concerns and add improved surge protection for transformers by installing arresters. Additionally, this project aims to implement changes in oil filtration on equipment, therefore reducing maintenance requirements.

## Project No: 65007010 Misc. Station Improvements

Project Alternatives

The specific work that will be performed will be determined based on the conditions of the equipment at each substation. Once needs have been identified, potential solutions and alternatives will be identified. Evaluation of solutions includes long term maintainability, meeting safety or code requirements, compliance, ability to meet system performance requirements now and in the future, ability to address schedule requirements, and costs. Alternatives will be assessed on a case-by-case basis at the work order level.

## Project No: 65007010 Misc. Station Improvements

| | |
|---|---|
| Project Estimate Approach | Cost estimates are prepared on a per-task basis. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids. On unique or specialty projects, vendor quotes are secured prior to authorizing work. PNM reviewed historical spend on an annual basis across the last five years to develop the future budget. In addition to the historical funding, PNM also looked at trends which are developing on the system, equipment which is nearing end of productive life, changes in compliance, environmental, and safety requirements, and results from inspections and testing, all of which need to be considered when estimating budgets and implementing projects. There is a slight uptick in anticipated spend due to the age of system, and added compliance issues, which will also necessitate upgrades and replacements. These estimates also include some funds to address emergent issues such as unforeseen failures. |

**Project No:** **65007010** **Misc. Station Improvements**

| | |
|---|---|
| Customer Benefit | Customer satisfaction is increased due to faster restoration times and reduced interruptions. |

**Project No:** **65007010 Misc. Station Improvements**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **65007010** **Misc. Station Improvements**

| | |
|---|---|
| General Services | |
| Reliability & Resiliency | Replacing aging equipment mitigates component failure, and therefore system downtime. |
| Safety & Security | Replacing aging equipment will mitigate risks of public and PNM personnel safety incidents. Additionally, these enhancements will mitigate any damage to public property as a result of component failure and degradation. |
| Technology Advancements | |

## Project No: 65007010 Misc. Station Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 666,982 | - | - | - | - | - | - | 666,982 |
| 120: Overtime-General | 309,799 | - | - | - | - | - | - | 309,799 |
| 350: Material Issues-Major | 1,186,298 | - | - | - | - | - | - | 1,186,298 |
| 370: Outside Services | 3,389,758 | - | - | - | - | - | - | 3,389,758 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 16,008 | - | - | - | - | - | - | 16,008 |
| 391: Jt Proj Bill to PNM -N Lab | (82,208) | - | - | - | - | - | - | (82,208) |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 251,169 | - | - | - | - | - | - | 251,169 |
| 805: Land and Land Rights | 3,000 | - | - | - | - | - | - | 3,000 |
| 807: Non Refundable Contrib | (426,181) | - | - | - | - | - | - | (426,181) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 71,818 | - | - | - | - | - | - | 71,818 |
| 914: Pension and Benefits | 255,443 | - | - | - | - | - | - | 255,443 |
| 915: Injuries and Damages | 82,547 | - | - | - | - | - | - | 82,547 |
| 921: Stores Load | 28,528 | - | - | - | - | - | - | 28,528 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 396,458 | - | - | - | - | - | - | 396,458 |
| 926: A&G Loads | 401,477 | - | - | - | - | - | - | 401,477 |
| 928: AFUDC Debt | 191,397 | 187 | - | - | - | - | - | 191,584 |
| 929: AFUDC Equity | 234,341 | 199 | - | - | - | - | - | 234,540 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,538,263) | (76,799) | - | - | - | - | - | (6,615,061) |
| 825: Closing Cost of Removal | (345,928) | (16,029) | - | - | - | - | - | (361,957) |
| Project Net | 92,442 | (92,442) | - | - | - | - | - | - |

## Project No: 65007010 Misc. Station Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 666,982 | - | - | - | - | - | - |
| 120: Overtime-General | 309,799 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,186,298 | - | - | - | - | - | - |
| 370: Outside Services | 3,389,758 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 16,008 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | (82,208) | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 251,169 | - | - | - | - | - | - |
| 805: Land and Land Rights | 3,000 | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (426,181) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 71,818 | - | - | - | - | - | - |
| 914: Pension and Benefits | 255,443 | - | - | - | - | - | - |
| 915: Injuries and Damages | 82,547 | - | - | - | - | - | - |
| 921: Stores Load | 28,528 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 396,458 | - | - | - | - | - | - |
| 926: A&G Loads | 401,477 | - | - | - | - | - | - |
| 928: AFUDC Debt | 191,584 | - | - | - | - | - | - |
| 929: AFUDC Equity | 234,540 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,615,061) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (361,957) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 65007010 Misc. Station Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 666,982 |
| 120: Overtime-General | - | - | - | 309,799 |
| 350: Material Issues-Major | - | - | - | 1,186,298 |
| 370: Outside Services | - | - | - | 3,389,758 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 16,008 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | (82,208) |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 251,169 |
| 805: Land and Land Rights | - | - | - | 3,000 |
| 807: Non Refundable Contrib | - | - | - | (426,181) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 71,818 |
| 914: Pension and Benefits | - | - | - | 255,443 |
| 915: Injuries and Damages | - | - | - | 82,547 |
| 921: Stores Load | - | - | - | 28,528 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 396,458 |
| 926: A&G Loads | - | - | - | 401,477 |
| 928: AFUDC Debt | - | - | - | 191,584 |
| 929: AFUDC Equity | - | - | - | 234,540 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (6,615,061) |
| 825: Closing Cost of Removal | - | - | - | (361,957) |
| Project Net | - | - | - | - |

## Project No: 65007010 Misc. Station Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 666,982 | - | - | - | 666,982 | - | - | - |
| 120: Overtime-General | 309,799 | - | - | - | 309,799 | - | - | - |
| 350: Material Issues-Major | 1,186,298 | - | - | - | 1,186,298 | - | - | - |
| 370: Outside Services | 3,389,758 | - | - | - | 3,389,758 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 16,008 | - | - | - | 16,008 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | (82,208) | - | - | - | (82,208) | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 251,169 | - | - | - | 251,169 | - | - | - |
| 805: Land and Land Rights | 3,000 | - | - | - | 3,000 | - | - | - |
| 807: Non Refundable Contrib | (426,181) | - | - | - | (426,181) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 71,818 | - | - | - | 71,818 | - | - | - |
| 914: Pension and Benefits | 255,443 | - | - | - | 255,443 | - | - | - |
| 915: Injuries and Damages | 82,547 | - | - | - | 82,547 | - | - | - |
| 921: Stores Load | 28,528 | - | - | - | 28,528 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 396,458 | - | - | - | 396,458 | - | - | - |
| 926: A&G Loads | 401,477 | - | - | - | 401,477 | - | - | - |
| 928: AFUDC Debt | 191,584 | - | - | - | 191,584 | - | - | - |
| 929: AFUDC Equity | 234,540 | - | - | - | 234,540 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,615,061) | - | - | - | (6,615,061) | - | - | - |
| 825: Closing Cost of Removal | (361,957) | - | - | - | (361,957) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 65007010 Misc. Station Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 666,982 |
| 120: Overtime-General | - | - | - | - | - | - | 309,799 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,186,298 |
| 370: Outside Services | - | - | - | - | - | - | 3,389,758 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 16,008 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | (82,208) |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 251,169 |
| 805: Land and Land Rights | - | - | - | - | - | - | 3,000 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (426,181) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 71,818 |
| 914: Pension and Benefits | - | - | - | - | - | - | 255,443 |
| 915: Injuries and Damages | - | - | - | - | - | - | 82,547 |
| 921: Stores Load | - | - | - | - | - | - | 28,528 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 396,458 |
| 926: A&G Loads | - | - | - | - | - | - | 401,477 |
| 928: AFUDC Debt | - | - | - | - | - | - | 191,584 |
| 929: AFUDC Equity | - | - | - | - | - | - | 234,540 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (6,615,061) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (361,957) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 65007110 Misc. Transmission Blanket

Company: 002 Transmission Services
Location: 650 Transmission General

**Project Information** County % Total System 100%

Estimated Start Date 10/9/2008

Estimated Completion Date 12/31/2032

Description

This blanket project is for funding multiple ongoing projects aimed at improving reliability, maintainability, and enhancing the safe operation of transmission lines. PNM routinely inspects its transmission lines and identifies equipment or materials that need to be repaired or replaced - with prioritization based on safety and risks to the operation of the system. Examples of specific tasks include, but are not limited to, replacing damaged porcelain insulators with more robust non-ceramic insulators, installing modular steel truss tops to replace failed wood cross-arms and braces, replacing structures to provide enhanced clearances, and installing new line sectionalizing switches to provide more reliable and safe switching operations.

**Project No:** **65007110 Misc. Transmission Blanket**

Project Need Justification

The PNM transmission lines that are the subject of this project currently contain components that need to be replaced or repaired to ensure continued safe operation. Certain components on transmission lines have developed unsafe conditions for PNM personnel/public. Furthermore, repairs are needed to reduce the risk of equipment failure that could result in outages.

**Project No:** **65007110 Misc. Transmission Blanket**

Project Alternatives

Alternatives for projects are considered on a case-by-case basis. Alternatives considered might include the do-nothing approach, or a risk-of-failure assessment. For example, improved materials such as polymer insulators or prefabricated steel truss framing are typically used to replaced original line material. Driven steel groundline pole reinforcing may be chosen as an alternative to complete replacement of a rotten wood pole due to its improved strength and durability.

## Project No: 65007110 Misc. Transmission Blanket

| | |
|---|---|
| Project Estimate Approach | The estimate is developed based on historical spend over the past two years with trending based on input from line inspection reports. Overall budget breakdown is approximately 40% material, 30% contract construction, and 30% internal PNM labor including construction crews and support (environmental, engineering, and permitting). All work was assumed in existing easements. While specific jobs are unknown at this time, inspection data may help predict the volume of certain work, such as pole replacements. Detailed and specific cost estimates are prepared on a per-task basis as work orders are created. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids.<br><br>Lastly, funds are budgeted for higher risk items, as well as for unforeseen failures that may be caused by weather, vandalism, pole hits, etc. |

**Project No:** **65007110 Misc. Transmission Blanket**

| | |
|---|---|
| Customer Benefit | This project aims to address components in need of repair or replacement. By addressing these concerns, the likelihood of system disruption and downtime related to transmission lines will decrease. |

**Project No:** **65007110 Misc. Transmission Blanket**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **65007110** **Misc. Transmission Blanket**

General Services

Reliability & Resiliency

Addressing components in need of replacement and repair will reduce the likelihood of equipment failures which could result in downtime and disruptions.

Safety & Security

Addressing transmission line components will mitigate risks of employee and public safety accidents.

Technology Advancements

## Project No: 65007110 Misc. Transmission Blanket

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,592,614 | - | - | - | - | - | - | 2,592,614 |
| 120: Overtime-General | 1,621,141 | - | - | - | - | - | - | 1,621,141 |
| 350: Material Issues-Major | 6,136,586 | 54,207 | 54,207 | 54,207 | 54,207 | 54,207 | 54,207 | 6,461,830 |
| 370: Outside Services | 10,891,996 | 312,771 | 312,771 | 312,771 | 312,771 | 312,771 | 312,771 | 12,768,621 |
| 374: Outside Services Legal | 21,820 | - | - | - | - | - | - | 21,820 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,983,172 | - | - | - | - | - | - | 3,983,172 |
| 805: Land and Land Rights | 4,712 | - | - | - | - | - | - | 4,712 |
| 807: Non Refundable Contrib | (3,005,204) | - | - | - | - | - | - | (3,005,204) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 319,939 | - | - | - | - | - | - | 319,939 |
| 914: Pension and Benefits | 972,659 | - | - | - | - | - | - | 972,659 |
| 915: Injuries and Damages | 484,651 | - | - | - | - | - | - | 484,651 |
| 921: Stores Load | 145,362 | 2,324 | 2,324 | 2,324 | 2,324 | 2,324 | 2,324 | 159,309 |
| 922: Minor Material Load | 1 | - | - | - | - | - | - | 1 |
| 925: E&S Loads | 1,466,264 | 21,101 | 21,101 | 21,101 | 21,101 | 21,101 | 21,101 | 1,592,871 |
| 926: A&G Loads | 1,176,127 | 19,083 | 19,083 | 19,083 | 19,083 | 19,083 | 19,083 | 1,290,625 |
| 928: AFUDC Debt | 338,576 | 3,688 | 4,697 | 5,711 | 6,730 | 7,754 | 8,783 | 375,939 |
| 929: AFUDC Equity | 510,926 | 3,931 | 5,006 | 6,086 | 7,172 | 8,264 | 9,361 | 550,746 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (23,075,682) | - | - | - | - | - | (3,780,959) | (26,856,641) |
| 825: Closing Cost of Removal | (2,800,099) | - | - | - | - | - | (538,704) | (3,338,803) |
| Project Net | 1,785,563 | 417,106 | 419,189 | 421,283 | 423,388 | 425,504 | (3,892,033) | 0 |

## Project No: 65007110 Misc. Transmission Blanket

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,592,614 | - | - | - | - | - | - |
| 120: Overtime-General | 1,621,141 | - | - | - | - | - | - |
| 350: Material Issues-Major | 6,461,830 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 |
| 370: Outside Services | 12,768,621 | 312,169 | 312,169 | 312,169 | 312,169 | 312,169 | 312,169 |
| 374: Outside Services Legal | 21,820 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,983,172 | - | - | - | - | - | - |
| 805: Land and Land Rights | 4,712 | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (3,005,204) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 319,939 | - | - | - | - | - | - |
| 914: Pension and Benefits | 972,659 | - | - | - | - | - | - |
| 915: Injuries and Damages | 484,651 | - | - | - | - | - | - |
| 921: Stores Load | 159,309 | 2,089 | 2,089 | 2,089 | 2,089 | 2,089 | 2,089 |
| 922: Minor Material Load | 1 | - | - | - | - | - | - |
| 925: E&S Loads | 1,592,871 | 56,415 | 56,415 | 56,415 | 56,415 | 56,415 | 56,415 |
| 926: A&G Loads | 1,290,625 | 14,104 | 14,104 | 14,104 | 14,104 | 14,104 | 14,104 |
| 928: AFUDC Debt | 375,939 | 489 | 1,254 | 1,854 | 2,325 | 2,694 | 2,983 |
| 929: AFUDC Equity | 550,746 | 662 | 1,697 | 2,509 | 3,145 | 3,644 | 4,035 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (26,856,641) | (96,994) | (173,045) | (232,676) | (279,431) | (316,091) | (344,836) |
| 825: Closing Cost of Removal | (3,338,803) | (1,974) | (3,514) | (4,715) | (5,652) | (6,383) | (6,953) |
| Project Net | 0 | 350,887 | 275,096 | 215,676 | 169,091 | 132,568 | 103,934 |

## Project No: 65007110 Misc. Transmission Blanket

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 2,592,614 |
| 120: Overtime-General | - | - | - | 1,621,141 |
| 350: Material Issues-Major | 63,928 | 63,928 | 63,928 | 7,037,182 |
| 370: Outside Services | 312,169 | 312,169 | 312,169 | 15,578,142 |
| 374: Outside Services Legal | - | - | - | 21,820 |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 3,983,172 |
| 805: Land and Land Rights | - | - | - | 4,712 |
| 807: Non Refundable Contrib | - | - | - | (3,005,204) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 319,939 |
| 914: Pension and Benefits | - | - | - | 972,659 |
| 915: Injuries and Damages | - | - | - | 484,651 |
| 921: Stores Load | 2,089 | 2,089 | 2,089 | 178,111 |
| 922: Minor Material Load | - | - | - | 1 |
| 925: E&S Loads | 56,415 | 56,415 | 56,415 | 2,100,602 |
| 926: A&G Loads | 14,104 | 14,104 | 14,104 | 1,417,557 |
| 928: AFUDC Debt | 3,210 | 3,388 | 3,527 | 397,663 |
| 929: AFUDC Equity | 4,342 | 4,583 | 4,771 | 580,135 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (367,374) | (385,046) | (398,902) | (29,451,037) |
| 825: Closing Cost of Removal | (7,398) | (7,745) | (8,015) | (3,391,153) |
| Project Net | 81,484 | 63,884 | 50,086 | 1,442,707 |

## Project No: 65007110 Misc. Transmission Blanket

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,592,614 | - | - | - | 2,592,614 | - | - | - |
| 120: Overtime-General | 1,621,141 | - | - | - | 1,621,141 | - | - | - |
| 350: Material Issues-Major | 7,037,182 | 63,928 | 63,928 | 63,928 | 7,228,966 | 149,218 | 149,218 | 149,218 |
| 370: Outside Services | 15,578,142 | 312,169 | 312,169 | 312,169 | 16,514,649 | 234,675 | 234,675 | 234,675 |
| 374: Outside Services Legal | 21,820 | - | - | - | 21,820 | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,983,172 | - | - | - | 3,983,172 | - | - | - |
| 805: Land and Land Rights | 4,712 | - | - | - | 4,712 | - | - | - |
| 807: Non Refundable Contrib | (3,005,204) | - | - | - | (3,005,204) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 319,939 | - | - | - | 319,939 | - | - | - |
| 914: Pension and Benefits | 972,659 | - | - | - | 972,659 | - | - | - |
| 915: Injuries and Damages | 484,651 | - | - | - | 484,651 | - | - | - |
| 921: Stores Load | 178,111 | 2,089 | 2,089 | 2,089 | 184,379 | 4,876 | 4,876 | 4,876 |
| 922: Minor Material Load | 1 | - | - | - | 1 | - | - | - |
| 925: E&S Loads | 2,100,602 | 56,415 | 56,415 | 56,415 | 2,269,846 | 57,584 | 57,584 | 57,584 |
| 926: A&G Loads | 1,417,557 | 14,104 | 14,104 | 14,104 | 1,459,868 | 13,475 | 13,475 | 13,475 |
| 928: AFUDC Debt | 397,663 | 3,636 | 3,722 | 3,789 | 408,810 | 3,778 | 3,839 | 3,886 |
| 929: AFUDC Equity | 580,135 | 4,919 | 5,035 | 5,126 | 595,215 | 5,961 | 6,056 | 6,131 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (29,451,037) | (409,767) | (418,285) | (424,965) | (30,704,053) | (432,754) | (438,864) | (443,656) |
| 825: Closing Cost of Removal | (3,391,153) | (8,226) | (8,391) | (8,519) | (3,416,289) | (8,668) | (8,784) | (8,875) |
| Project Net | 1,442,707 | 39,267 | 30,786 | 24,136 | 1,536,896 | 28,146 | 22,075 | 17,313 |

## Project No: 65007110 Misc. Transmission Blanket

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,592,614 |
| 120: Overtime-General | - | - | - | - | - | - | 1,621,141 |
| 350: Material Issues-Major | 149,218 | 149,218 | 149,218 | 149,218 | 149,218 | 149,218 | 8,571,928 |
| 370: Outside Services | 234,675 | 234,675 | 234,675 | 234,675 | 234,675 | 234,675 | 18,626,724 |
| 374: Outside Services Legal | - | - | - | - | - | - | 21,820 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 3,983,172 |
| 805: Land and Land Rights | - | - | - | - | - | - | 4,712 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (3,005,204) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 319,939 |
| 914: Pension and Benefits | - | - | - | - | - | - | 972,659 |
| 915: Injuries and Damages | - | - | - | - | - | - | 484,651 |
| 921: Stores Load | 4,876 | 4,876 | 4,876 | 4,876 | 4,876 | 4,876 | 228,267 |
| 922: Minor Material Load | - | - | - | - | - | - | 1 |
| 925: E&S Loads | 57,584 | 57,584 | 57,584 | 57,584 | 57,584 | 57,584 | 2,788,102 |
| 926: A&G Loads | 13,475 | 13,475 | 13,475 | 13,475 | 13,475 | 13,475 | 1,581,140 |
| 928: AFUDC Debt | 3,923 | 3,952 | 3,975 | 3,993 | 4,007 | 4,018 | 444,180 |
| 929: AFUDC Equity | 6,189 | 6,235 | 6,271 | 6,299 | 6,322 | 6,339 | 651,019 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (447,416) | (450,364) | (452,677) | (454,491) | (455,914) | (457,031) | (34,737,222) |
| 825: Closing Cost of Removal | (8,946) | (9,001) | (9,044) | (9,078) | (9,104) | (9,124) | (3,496,912) |
| Project Net | 13,579 | 10,650 | 8,353 | 6,551 | 5,138 | 4,030 | 1,652,731 |

## Project No: 65007710 Switch Stations Replacements IA

Company: 002 Transmission Services
Location: 650 Transmission General

**Project Information** County % Total System 100%

Estimated Start Date 12/7/2009

Estimated Completion Date 12/31/2032

Description

This is a funding project for small capital station improvements. Specifically, this funding project provides discretionary capital funding for the replacement of aging equipment, station improvements, or system betterments. Examples of the types of work to be performed includes, but is not limited to, replacing high voltage switches, major breaker components, and PT/CVT/CCVT - which also typically involves wiring improvements. Examples of safety related upgrades and improvements include, but are not limited to, lighting upgrades, safety rail/gate upgrades, and exterior gate upgrades. Wildlife management projects often involve installing/repairing/replacing bird/animal guarding on close clearance integral equipment like capacitor banks that are at risk of damage caused by wildlife.

## Project No: 65007710 Switch Stations Replacements IA

| | |
|---|---|
| Project Need Justification | This project involves replacing components and equipment on the transmission system that are aging and/or functionally obsolete. It is critical to replace these components before they fail which could cause damage to other equipment and increases the risk of service disruption. Furthermore, replacing aging/obsolete equipment will reduce the risk of outages and potential safety risks to personnel. |

**Project No:** **65007710 Switch Stations Replacements IA**

Project Alternatives

The only alternative to this project is to do nothing. If this approach were taken, the aging/obsolete equipment would be run to failure which increases the risk of damage to other equipment and/or system interruptions. To avoid these risks, this project will proactively address equipment that needs to be replaced.

## Project No: 65007710 Switch Stations Replacements IA

| | |
|---|---|
| Project Estimate Approach | Cost estimates are developed on a project-by-project basis. Projects are identified, through station inspections or during maintenance, for replacement or to extend the life of an asset. Projects are prioritized based on system needs and potential vulnerability, criticality of the equipment or system and age of the equipment or system. The factors that are considered while estimating costs are internal/external labor, materials, and location of the asset. The estimates are derived from previous projects and labor calculations. |

**Project No:** **65007710 Switch Stations Replacements IA**

| | |
|---|---|
| Customer Benefit | By replacing aging equipment, PNM can maximize system reliability and reduce unplanned outages. This improvement to system reliability will benefit customers directly. |

**Project No:** **65007710 Switch Stations Replacements IA**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **65007710** **Switch Stations Replacements IA**

General Services

Reliability & Resiliency

This funding project supports small ongoing capital improvements. These improvements include replacing aging, or functionally obsolete equipment. Additionally, these replacements will mitigate contingencies (component failure), therefore having a positive impact on system reliability.

Safety & Security

These ongoing capital improvements include addressing aging components such as batteries. In this case, battery failure can result in leaking toxic gas that can lead to health risks for PNM personnel.

Technology Advancements

## Project No: 65007710 Switch Stations Replacements IA

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,702,280 | 199 | 199 | 199 | 199 | 199 | 199 | 2,703,475 |
| 120: Overtime-General | 2,852,175 | - | - | - | - | - | - | 2,852,175 |
| 350: Material Issues-Major | 4,102,354 | 26,185 | 26,185 | 26,185 | 26,185 | 26,185 | 26,185 | 4,259,464 |
| 370: Outside Services | 3,874,466 | 85,928 | 85,928 | 85,928 | 85,928 | 85,928 | 85,928 | 4,390,034 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 475 | - | - | - | - | - | (175) | 300 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,933,578 | - | - | - | - | - | - | 1,933,578 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (42,827) | - | - | - | - | - | - | (42,827) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 420,169 | 15 | 15 | 15 | 15 | 15 | 15 | 420,260 |
| 914: Pension and Benefits | 1,324,900 | 37 | 37 | 37 | 37 | 37 | 37 | 1,325,122 |
| 915: Injuries and Damages | 515,336 | 39 | 39 | 39 | 39 | 39 | 39 | 515,573 |
| 921: Stores Load | 46,736 | 1,123 | 1,123 | 1,123 | 1,123 | 1,123 | 1,123 | 53,473 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 1,043,833 | 6,463 | 6,463 | 6,463 | 6,463 | 6,463 | 6,453 | 1,082,603 |
| 926: A&G Loads | 913,174 | 5,840 | 5,840 | 5,840 | 5,840 | 5,840 | 5,831 | 948,206 |
| 928: AFUDC Debt | 300,007 | 4,387 | 152 | 152 | 152 | 152 | 152 | 305,154 |
| 929: AFUDC Equity | 347,951 | 4,676 | 162 | 162 | 162 | 162 | 162 | 353,437 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (15,471,655) | (1,851,510) | (123,628) | (123,628) | (123,628) | (123,628) | (123,437) | (17,941,112) |
| 825: Closing Cost of Removal | (2,978,242) | (168,095) | (2,517) | (2,517) | (2,517) | (2,517) | (2,513) | (3,158,916) |
| Project Net | 1,884,711 | (1,884,711) | 0 | 0 | 0 | 0 | 0 | (0) |

## Project No: 65007710 Switch Stations Replacements IA

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,703,475 | 202 | 202 | 202 | 202 | 202 | 202 |
| 120: Overtime-General | 2,852,175 | - | - | - | - | - | - |
| 350: Material Issues-Major | 4,259,464 | 25,971 | 25,971 | 25,971 | 25,971 | 25,971 | 25,971 |
| 370: Outside Services | 4,390,034 | 87,217 | 87,217 | 87,217 | 87,217 | 87,217 | 87,217 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 300 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,933,578 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (42,827) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 420,260 | 17 | 17 | 17 | 17 | 17 | 17 |
| 914: Pension and Benefits | 1,325,122 | 38 | 38 | 38 | 38 | 38 | 38 |
| 915: Injuries and Damages | 515,573 | 38 | 38 | 38 | 38 | 38 | 38 |
| 921: Stores Load | 53,473 | 849 | 849 | 849 | 849 | 849 | 849 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 1,082,603 | 17,023 | 17,023 | 17,023 | 17,023 | 17,023 | 17,023 |
| 926: A&G Loads | 948,206 | 4,252 | 4,252 | 4,252 | 4,252 | 4,252 | 4,252 |
| 928: AFUDC Debt | 305,154 | 148 | 379 | 560 | 703 | 814 | 902 |
| 929: AFUDC Equity | 353,437 | 200 | 513 | 758 | 951 | 1,101 | 1,220 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (17,941,112) | (29,313) | (52,297) | (70,319) | (84,449) | (95,529) | (104,216) |
| 825: Closing Cost of Removal | (3,158,916) | (597) | (1,062) | (1,425) | (1,708) | (1,929) | (2,101) |
| Project Net | (0) | 106,045 | 83,139 | 65,181 | 51,102 | 40,064 | 31,411 |

## Project No: 65007710 Switch Stations Replacements IA

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 202 | 202 | 202 | 2,705,293 |
| 120: Overtime-General | - | - | - | 2,852,175 |
| 350: Material Issues-Major | 25,971 | 25,971 | 25,971 | 4,493,203 |
| 370: Outside Services | 87,217 | 87,217 | 87,217 | 5,174,987 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 300 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,933,578 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (42,827) |
| 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 | 17 | 17 | 420,410 |
| 914: Pension and Benefits | 38 | 38 | 38 | 1,325,468 |
| 915: Injuries and Damages | 38 | 38 | 38 | 515,918 |
| 921: Stores Load | 849 | 849 | 849 | 61,112 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 17,023 | 17,023 | 17,023 | 1,235,805 |
| 926: A&G Loads | 4,252 | 4,252 | 4,252 | 986,476 |
| 928: AFUDC Debt | 970 | 1,024 | 1,066 | 311,720 |
| 929: AFUDC Equity | 1,312 | 1,385 | 1,442 | 362,319 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (111,027) | (116,368) | (120,556) | (18,725,187) |
| 825: Closing Cost of Removal | (2,236) | (2,341) | (2,422) | (3,174,737) |
| Project Net | 24,626 | 19,307 | 15,137 | 436,012 |

## Project No: 65007710 Switch Stations Replacements IA

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,705,293 | 202 | 202 | 202 | 2,705,899 | - | - | - |
| 120: Overtime-General | 2,852,175 | - | - | - | 2,852,175 | - | - | - |
| 350: Material Issues-Major | 4,493,203 | 25,971 | 25,971 | 25,971 | 4,571,116 | - | - | - |
| 370: Outside Services | 5,174,987 | 87,217 | 87,217 | 87,217 | 5,436,638 | 118,131 | 118,131 | 118,131 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 300 | - | - | - | 300 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,933,578 | - | - | - | 1,933,578 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (42,827) | - | - | - | (42,827) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 420,410 | 17 | 17 | 17 | 420,460 | - | - | - |
| 914: Pension and Benefits | 1,325,468 | 38 | 38 | 38 | 1,325,583 | - | - | - |
| 915: Injuries and Damages | 515,918 | 38 | 38 | 38 | 516,033 | - | - | - |
| 921: Stores Load | 61,112 | 849 | 849 | 849 | 63,658 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 1,235,805 | 17,023 | 17,023 | 17,023 | 1,286,873 | 17,720 | 17,720 | 17,720 |
| 926: A&G Loads | 986,476 | 4,252 | 4,252 | 4,252 | 999,232 | 4,146 | 4,146 | 4,146 |
| 928: AFUDC Debt | 311,720 | 1,099 | 1,125 | 1,145 | 315,089 | 1,143 | 1,163 | 1,179 |
| 929: AFUDC Equity | 362,319 | 1,487 | 1,522 | 1,549 | 366,876 | 1,803 | 1,835 | 1,859 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (18,725,187) | (123,839) | (126,413) | (128,432) | (19,103,871) | (131,009) | (133,030) | (134,615) |
| 825: Closing Cost of Removal | (3,174,737) | (2,486) | (2,536) | (2,575) | (3,182,333) | (2,624) | (2,663) | (2,693) |
| Project Net | 436,012 | 11,867 | 9,304 | 7,294 | 464,478 | 9,311 | 7,302 | 5,727 |

## Project No: 65007710 Switch Stations Replacements IA

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,705,899 |
| 120: Overtime-General | - | - | - | - | - | - | 2,852,175 |
| 350: Material Issues-Major | - | - | - | - | - | - | 4,571,116 |
| 370: Outside Services | 118,131 | 118,131 | 118,131 | 118,131 | 118,131 | 118,131 | 6,499,817 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 300 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,933,578 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (42,827) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 420,460 |
| 914: Pension and Benefits | - | - | - | - | - | - | 1,325,583 |
| 915: Injuries and Damages | - | - | - | - | - | - | 516,033 |
| 921: Stores Load | - | - | - | - | - | - | 63,658 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 17,720 | 17,720 | 17,720 | 17,720 | 17,720 | 17,720 | 1,446,350 |
| 926: A&G Loads | 4,146 | 4,146 | 4,146 | 4,146 | 4,146 | 4,146 | 1,036,550 |
| 928: AFUDC Debt | 1,191 | 1,200 | 1,208 | 1,214 | 1,219 | 1,222 | 325,827 |
| 929: AFUDC Equity | 1,879 | 1,894 | 1,906 | 1,915 | 1,923 | 1,928 | 383,818 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (135,858) | (136,834) | (137,599) | (138,199) | (138,669) | (139,039) | (20,328,721) |
| 825: Closing Cost of Removal | (2,717) | (2,735) | (2,749) | (2,760) | (2,769) | (2,776) | (3,206,819) |
| Project Net | 4,492 | 3,523 | 2,763 | 2,167 | 1,700 | 1,333 | 502,796 |

## Project No: 65007713 Trans Sub Ground Repairs Blanket

Company: 002 Transmission Services
Location: 650 Transmission General

**Project Information** County % Total System 100%

Estimated Start Date 12/1/2012

Estimated Completion Date 12/31/2032

Description

Emergent replacement of transmission substation ground conductors after copper theft incidents. PNM experiences about 5-10 cases of copper theft in transmission substations per year. Each one varies in replacement costs, ranging from approximately $20,000 to closer to $130,000 depending on the size of the station affected and the amount of the grounding stolen.

**Project No:** **65007713** **Trans Sub Ground Repairs Blanket**

Project Need Justification

Substation equipment grounding is vital for public and employee safety and proper operation of equipment. This grounding must be replaced in the event it is stolen or vandalized. Lack of grounding on substation equipment can lead to injury to personnel or the public or equipment failure. Proper grounding is also required per the National Electric Safety Code.

**Project No:** **65007713 Trans Sub Ground Repairs Blanket**

| | |
|---|---|
| Project Alternatives | None. This emergent replacement is necessary to ensure safe and reliable operations and prevent injury. An alternative on funding would be to pay for these repairs using the Substation capital work blanket. However, that blanket is not budgeted to cover the additional amount required to cover copper theft. In addition, being in its own project has benefits for data gathering and tracking that can be used on cost/benefit analysis of security solutions. |

**Project No:** **65007713** **Trans Sub Ground Repairs Blanket**

| | |
|---|---|
| Project Estimate Approach | Project estimate was based on an assumption of 7 stations requiring grounding repair/replacement at approximately $40,000 per site and will be increased or decreased depending on the number of stations with copper theft incidents. |

**Project No:** **65007713** **Trans Sub Ground Repairs Blanket**

| | |
|---|---|
| Customer Benefit | Lack of grounding on substation equipment can lead to injury to personnel or the public or equipment failure. Equipment failure can lead to unplanned outages for customers. |

**Project No:** **65007713** **Trans Sub Ground Repairs Blanket**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

**Project No:** **65007713** **Trans Sub Ground Repairs Blanket**

General Services

Reliability & Resiliency

Equipment failure can lead to unplanned outages for customers.

Safety & Security

Lack of grounding on substation equipment can lead to injury to personnel or the public or equipment failure.

Technology Advancements

## Project No: 65007713 Trans Sub Ground Repairs Blanket

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 30,024 | - | - | - | - | - | - | 30,024 |
| 120: Overtime-General | 856 | - | - | - | - | - | - | 856 |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,206,076 | - | - | - | - | - | - | 1,206,076 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,027 | - | - | - | - | - | - | 3,027 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 986 | - | - | - | - | - | - | 986 |
| 914: Pension and Benefits | 3,676 | - | - | - | - | - | - | 3,676 |
| 915: Injuries and Damages | 943 | - | - | - | - | - | - | 943 |
| 921: Stores Load | 7,253 | - | - | - | - | - | - | 7,253 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 79,994 | - | - | - | - | - | - | 79,994 |
| 926: A&G Loads | 89,103 | - | - | - | - | - | - | 89,103 |
| 928: AFUDC Debt | 9,939 | - | - | - | - | - | - | 9,939 |
| 929: AFUDC Equity | 13,956 | - | - | - | - | - | - | 13,956 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,445,833) | - | - | - | - | - | - | (1,445,833) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 65007713 Trans Sub Ground Repairs Blanket

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 30,024 | 1,876 | 1,876 | 1,876 | 1,876 | 1,876 | 1,876 |
| 120: Overtime-General | 856 | - | - | - | - | - | - |
| 350: Material Issues-Major | - | 5,628 | 5,628 | 5,628 | 5,628 | 5,628 | 5,628 |
| 370: Outside Services | 1,206,076 | 11,256 | 11,256 | 11,256 | 11,256 | 11,256 | 11,256 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,027 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 986 | 155 | 155 | 155 | 155 | 155 | 155 |
| 914: Pension and Benefits | 3,676 | 356 | 356 | 356 | 356 | 356 | 356 |
| 915: Injuries and Damages | 943 | 356 | 356 | 356 | 356 | 356 | 356 |
| 921: Stores Load | 7,253 | 184 | 184 | 184 | 184 | 184 | 184 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 79,994 | 2,944 | 2,944 | 2,944 | 2,944 | 2,944 | 2,944 |
| 926: A&G Loads | 89,103 | 704 | 704 | 704 | 704 | 704 | 704 |
| 928: AFUDC Debt | 9,939 | 26 | 77 | 128 | 180 | 232 | 285 |
| 929: AFUDC Equity | 13,956 | 35 | 104 | 174 | 244 | 314 | 385 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,445,833) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 23,519 | 23,639 | 23,761 | 23,882 | 24,005 | 24,128 |

**Project No:** **65007713** **Trans Sub Ground Repairs Blanket**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 1,876 | 1,876 | 1,876 | 46,908 |
| 120: Overtime-General | - | - | - | 856 |
| 350: Material Issues-Major | 5,628 | 5,628 | 5,628 | 50,652 |
| 370: Outside Services | 11,256 | 11,256 | 11,256 | 1,307,380 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 3,027 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 155 | 155 | 155 | 2,380 |
| 914: Pension and Benefits | 356 | 356 | 356 | 6,882 |
| 915: Injuries and Damages | 356 | 356 | 356 | 4,144 |
| 921: Stores Load | 184 | 184 | 184 | 8,908 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 2,944 | 2,944 | 2,944 | 106,491 |
| 926: A&G Loads | 704 | 704 | 704 | 95,435 |
| 928: AFUDC Debt | 337 | 390 | 443 | 12,038 |
| 929: AFUDC Equity | 456 | 528 | 600 | 16,796 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,445,833) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 24,252 | 24,377 | 24,502 | 216,065 |

## Project No: 65007713 Trans Sub Ground Repairs Blanket

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 46,908 | 1,876 | 1,876 | 1,876 | 52,536 | 1,839 | 1,839 | 1,839 |
| 120: Overtime-General | 856 | - | - | - | 856 | - | - | - |
| 350: Material Issues-Major | 50,652 | 5,628 | 5,628 | 5,628 | 67,536 | 5,518 | 5,518 | 5,518 |
| 370: Outside Services | 1,307,380 | 11,256 | 11,256 | 11,256 | 1,341,148 | 11,036 | 11,036 | 11,036 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,027 | - | - | - | 3,027 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 2,380 | 155 | 155 | 155 | 2,845 | 152 | 152 | 152 |
| 914: Pension and Benefits | 6,882 | 356 | 356 | 356 | 7,951 | 349 | 349 | 349 |
| 915: Injuries and Damages | 4,144 | 356 | 356 | 356 | 5,211 | 349 | 349 | 349 |
| 921: Stores Load | 8,908 | 184 | 184 | 184 | 9,460 | 180 | 180 | 180 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 106,491 | 2,944 | 2,944 | 2,944 | 115,323 | 2,886 | 2,886 | 2,886 |
| 926: A&G Loads | 95,435 | 704 | 704 | 704 | 97,545 | 646 | 646 | 646 |
| 928: AFUDC Debt | 12,038 | 497 | 551 | 605 | 13,690 | 25 | 74 | 123 |
| 929: AFUDC Equity | 16,796 | 672 | 745 | 818 | 19,032 | 39 | 116 | 194 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,445,833) | - | - | (284,698) | (1,730,530) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (5,630) | (5,630) | - | - | - |
| Project Net | 216,065 | 24,628 | 24,754 | (265,446) | (0) | 23,018 | 23,145 | 23,273 |

## Project No: 65007713 Trans Sub Ground Repairs Blanket

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,839 | 1,839 | 1,839 | 1,839 | 1,839 | 1,839 | 69,087 |
| 120: Overtime-General | - | - | - | - | - | - | 856 |
| 350: Material Issues-Major | 5,518 | 5,518 | 5,518 | 5,518 | 5,518 | 5,518 | 117,198 |
| 370: Outside Services | 11,036 | 11,036 | 11,036 | 11,036 | 11,036 | 11,036 | 1,440,472 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 3,027 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 152 | 152 | 152 | 152 | 152 | 152 | 4,212 |
| 914: Pension and Benefits | 349 | 349 | 349 | 349 | 349 | 349 | 11,094 |
| 915: Injuries and Damages | 349 | 349 | 349 | 349 | 349 | 349 | 8,349 |
| 921: Stores Load | 180 | 180 | 180 | 180 | 180 | 180 | 11,083 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 2,886 | 2,886 | 2,886 | 2,886 | 2,886 | 2,886 | 141,301 |
| 926: A&G Loads | 646 | 646 | 646 | 646 | 646 | 646 | 103,356 |
| 928: AFUDC Debt | 173 | 223 | 273 | 324 | 375 | 426 | 15,706 |
| 929: AFUDC Equity | 273 | 352 | 431 | 511 | 591 | 672 | 22,212 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,730,530) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (5,630) |
| Project Net | 23,401 | 23,530 | 23,660 | 23,790 | 23,922 | 24,053 | 211,793 |

## Project No: 65007914 Relay IA

Company: 002 Transmission Services
Location: 650 Transmission General

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2014

Estimated Completion Date 12/31/2032

Description

Provides funding for the replacement of failed protective relays and associated protection system components required to maintain reliable system operations. Equipment is replaced with functionally equivalent devices to restore existing protection capabilities and return facilities to service as quickly as possible. This project preserves reliability and asset functionality and is not intended for system upgrades or modernization.

## Project No: 65007914 Relay IA

| | |
|---|---|
| Project Need Justification | Protective relays and related protection system components are critical reliability assets that may require replacement due to failure, damage, or obsolescence. This project provides funding to rapidly replace failed equipment and restore existing protection functionality, minimizing reliability and operational risk. The project preserves current system capabilities and is not intended to provide system upgrades or additional functionality. |

**Project No:** **65007914** **Relay IA**

Project Alternatives

The only alternative to this project is to do nothing. Under this approach, failed relays could leave the equipment inadequately protected; resulting in risk to the equipment, risk in additional outages, as well as the risk of safety of personnel in the vicinity.

## Project No: 65007914 Relay IA

| | |
|---|---|
| Project Estimate Approach | This is a Funding Project consisting of multiple small projects for relay replacements. Since this project is focused on replacing failed devices which is difficult to plan for, PNM has requested a what we believe will cover a few failures per year. If there are more failures than anticipated, PNM will need to find tradeoffs to allocate additional money to this project. |

**Project No:** **65007914** **Relay IA**

| | |
|---|---|
| Customer Benefit | Provides customers with continued reliable electric service by enabling the rapid replacement of failed protection system equipment. Timely restoration of protection functionality helps minimize outage risk, reduce service disruptions, and maintain the safe operation of the electric system. |

**Project No:** **65007914** **Relay IA**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

## Project No: 65007914 Relay IA

General Services

Reliability & Resiliency

This project maintains system reliability and resiliency by enabling the rapid replacement of failed protection system equipment. Functional protection systems are essential for detecting and isolating faults, minimizing outage impacts, and reducing the risk of equipment damage. Timely replacement of failed components preserves existing system performance and supports reliable electric service to customers.

Safety & Security

Technology Advancements

## Project No: 65007914 Relay IA

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 371,226 | 1,036 | 1,036 | 526 | 526 | 1,036 | 1,036 | 376,422 |
| 120: Overtime-General | 54,235 | - | - | - | - | - | - | 54,235 |
| 350: Material Issues-Major | 281,397 | 2,248 | 2,248 | 391 | 30,674 | 2,248 | 2,248 | 321,453 |
| 370: Outside Services | 81,268 | - | - | - | - | - | - | 81,268 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 116,372 | - | - | - | - | - | - | 116,372 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 33,407 | 79 | 79 | 40 | 40 | 79 | 79 | 33,802 |
| 914: Pension and Benefits | 78,335 | 193 | 193 | 98 | 98 | 193 | 193 | 79,302 |
| 915: Injuries and Damages | 80,066 | 205 | 205 | 104 | 104 | 205 | 205 | 81,095 |
| 921: Stores Load | 929 | 96 | 96 | 17 | 1,315 | 96 | 96 | 2,646 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 70,142 | 216 | 216 | 67 | 1,808 | 216 | 216 | 72,882 |
| 926: A&G Loads | 42,814 | 171 | 171 | 48 | 1,622 | 171 | 171 | 45,167 |
| 928: AFUDC Debt | 14,674 | 522 | 535 | 545 | 181 | 231 | 242 | 16,930 |
| 929: AFUDC Equity | 10,366 | 557 | 571 | 581 | 193 | 246 | 258 | 12,771 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (927,020) | - | - | (168,467) | - | - | (101,289) | (1,196,776) |
| 825: Closing Cost of Removal | (84,235) | - | - | (9,331) | - | - | (4,004) | (97,570) |
| Project Net | 223,975 | 5,324 | 5,350 | (175,384) | 36,561 | 4,721 | (100,548) | - |

## Project No: 65007914 Relay IA

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 376,422 | 1,052 | 1,052 | 1,052 | 1,052 | 1,052 | 1,052 |
| 120: Overtime-General | 54,235 | - | - | - | - | - | - |
| 350: Material Issues-Major | 321,453 | 2,282 | 2,282 | 2,282 | 2,282 | 2,282 | 2,282 |
| 370: Outside Services | 81,268 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 116,372 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 33,802 | 87 | 87 | 87 | 87 | 87 | 87 |
| 914: Pension and Benefits | 79,302 | 200 | 200 | 200 | 200 | 200 | 200 |
| 915: Injuries and Damages | 81,095 | 199 | 199 | 199 | 199 | 199 | 199 |
| 921: Stores Load | 2,646 | 75 | 75 | 75 | 75 | 75 | 75 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 72,882 | 573 | 573 | 573 | 573 | 573 | 573 |
| 926: A&G Loads | 45,167 | 125 | 125 | 125 | 125 | 125 | 125 |
| 928: AFUDC Debt | 16,930 | 5 | 15 | 25 | 28 | 38 | 48 |
| 929: AFUDC Equity | 12,771 | 7 | 20 | 34 | 38 | 51 | 65 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,196,776) | - | - | (3,402) | - | - | (5,994) |
| 825: Closing Cost of Removal | (97,570) | - | - | (69) | - | - | (121) |
| Project Net | - | 4,605 | 4,628 | 1,181 | 4,658 | 4,682 | (1,409) |

## Project No: 65007914 Relay IA

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 1,052 | 1,052 | 1,052 | 385,890 |
| 120: Overtime-General | - | - | - | 54,235 |
| 350: Material Issues-Major | 2,282 | 2,282 | 2,282 | 341,991 |
| 370: Outside Services | - | - | - | 81,268 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 116,372 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 87 | 87 | 87 | 34,585 |
| 914: Pension and Benefits | 200 | 200 | 200 | 81,100 |
| 915: Injuries and Damages | 199 | 199 | 199 | 82,890 |
| 921: Stores Load | 75 | 75 | 75 | 3,318 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 573 | 573 | 573 | 78,039 |
| 926: A&G Loads | 125 | 125 | 125 | 46,292 |
| 928: AFUDC Debt | 45 | 55 | 66 | 17,255 |
| 929: AFUDC Equity | 61 | 75 | 89 | 13,210 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | (7,969) | (1,214,142) |
| 825: Closing Cost of Removal | - | - | (159) | (97,918) |
| Project Net | 4,699 | 4,723 | (3,381) | 24,385 |

## Project No: 65007914 Relay IA

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 385,890 | 1,052 | 1,052 | 1,052 | 389,046 | - | - | - |
| 120: Overtime-General | 54,235 | - | - | - | 54,235 | - | - | - |
| 350: Material Issues-Major | 341,991 | 2,282 | 2,282 | 2,282 | 348,837 | - | - | - |
| 370: Outside Services | 81,268 | - | - | - | 81,268 | 3,913 | 3,913 | 3,913 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 116,372 | - | - | - | 116,372 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 34,585 | 87 | 87 | 87 | 34,845 | - | - | - |
| 914: Pension and Benefits | 81,100 | 200 | 200 | 200 | 81,699 | - | - | - |
| 915: Injuries and Damages | 82,890 | 199 | 199 | 199 | 83,489 | - | - | - |
| 921: Stores Load | 3,318 | 75 | 75 | 75 | 3,541 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 78,039 | 573 | 573 | 573 | 79,758 | 587 | 587 | 587 |
| 926: A&G Loads | 46,292 | 125 | 125 | 125 | 46,667 | 137 | 137 | 137 |
| 928: AFUDC Debt | 17,255 | 58 | 69 | 79 | 17,461 | 5 | 15 | 25 |
| 929: AFUDC Equity | 13,210 | 79 | 93 | 107 | 13,488 | 8 | 24 | 39 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,214,142) | - | - | (37,893) | (1,252,035) | - | - | - |
| 825: Closing Cost of Removal | (97,918) | - | - | (754) | (98,672) | - | - | - |
| Project Net | 24,385 | 4,730 | 4,754 | (33,868) | 0 | 4,650 | 4,676 | 4,701 |

## Project No: 65007914 Relay IA

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 389,046 |
| 120: Overtime-General | - | - | - | - | - | - | 54,235 |
| 350: Material Issues-Major | - | - | - | - | - | - | 348,837 |
| 370: Outside Services | 3,913 | 3,913 | 3,913 | 3,913 | 3,913 | 3,913 | 116,485 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 116,372 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 34,845 |
| 914: Pension and Benefits | - | - | - | - | - | - | 81,699 |
| 915: Injuries and Damages | - | - | - | - | - | - | 83,489 |
| 921: Stores Load | - | - | - | - | - | - | 3,541 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 587 | 587 | 587 | 587 | 587 | 587 | 85,040 |
| 926: A&G Loads | 137 | 137 | 137 | 137 | 137 | 137 | 47,903 |
| 928: AFUDC Debt | 35 | 35 | 45 | 43 | 53 | 63 | 17,779 |
| 929: AFUDC Equity | 55 | 55 | 71 | 67 | 83 | 100 | 13,991 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,596) | - | (5,771) | - | - | (7,839) | (1,270,241) |
| 825: Closing Cost of Removal | (93) | - | (116) | - | - | (157) | (99,037) |
| Project Net | 39 | 4,728 | (1,133) | 4,747 | 4,774 | (3,195) | 23,986 |

# PNM Exhibit WWG – 4

## Distribution Capital Investments

***Is contained in the following 1230 pages.***

# PNM EXHIBIT WWG-4 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.

## Table of Contents


| Project # | Project Name | Net BegBal-Jul-26 | Costs 7/26-9/28 | Clearings 7/26-9/28 |
|---|---|---|---|---|
| 10000508 | Lighting T&D | 532,574 | 6,339,689 | (6,229,692) |
| 10000607 | Distr. Remove & Replace | 2,310,209 | 6,621,060 | (7,138,345) |
| 10000608 | Dist. Remove & Replace T&D | 1,547,921 | 9,309,853 | (8,202,858) |
| 10000707 | Distr. system Improvements | 7,192,588 | 10,579,056 | (14,794,058) |
| 10001307 | Cable Replacement | 90,296 | 451 | (90,747) |
| 10001627 | Central OSMOSE Replacements 27-28 | - | 4,216,717 | (3,537,613) |
| 10001707 | Albuquerque Pure Project | 506,174 | 4,845,468 | (4,968,927) |
| 10001826 | San Pedro Widening | - | 230,883 | (230,883) |
| 10001922 | Overlook Distribution Rebuild | 2,292,405 | 8,834,185 | (11,126,590) |
| 10002125 | Lightning Mitigation 2025-2026 | 98,545 | 504,787 | (603,332) |
| 10002316 | Bird Guard Reliability | 20,005 | 533,824 | (514,420) |
| 10002325 | 4th Street and St Mary's Way | 433,787 | 2,210 | (435,997) |
| 10002326 | Angel Rd - CRP 23-24 | 108,253 | - | (108,253) |
| 10002425 | Camino Sin Pasada - CRP2324 | 76,040 | - | (76,040) |
| 10002516 | Pole Grounds Co01 | 36,475 | 442,303 | (443,261) |
| 10005228 | Central Osmose Pole Replacements | 407,681 | 759,720 | (1,167,402) |
| 10505323 | Grid Mod - AMI (Advcd Mtrg Infrstr) | 17,168,792 | 145,303,405 | (161,908,452) |
| 10505423 | Grid Mod - Distribution Automation | 628,116 | 43,677,469 | (44,305,584) |
| 10505623 | Grid Mod - Dist Planning & Engineer | - | 4,725,367 | (1,571,297) |
| 10528023 | Grid Mod - Customer Info and Analyt | 740,404 | 1,499,974 | (2,222,319) |
| 10528123 | Grid Mod - Cybersecurity | 2,613,068 | 2,850,542 | (4,851,314) |
| 10528223 | Grid Mod - ADMS | 2,842,838 | 22,663,306 | (4,065,325) |
| 10528323 | Grid Mod - Data Mgmt & Architecture | 1,167,311 | 9,146,233 | (10,306,023) |
| 10534224 | Grid Mod - Telecommunications | 718,572 | 26,190,054 | (26,905,944) |
| 14000607 | Distr. Remove & Replace | 151,790 | 1,004,732 | (826,667) |
| 14000707 | Distr. system Improvements | 30,127 | 516,695 | (412,129) |
| 15000508 | Lighting T&D | 204,639 | 682,192 | (818,779) |
| 15000608 | Distr. Remove & Replace T&D | 5,288,297 | 4,538,371 | (8,326,828) |
| 15002316 | Bird Guard Reliabilty Co34 | 95,261 | 917,240 | (932,010) |
| 15100607 | Distr. Remove & Replace | (3) | 171,406 | (126,605) |
| 15100707 | Distr. system Improvements | 89,406 | 466,169 | (410,511) |
| 15101807 | Alamorgordo Pure Project | 125,068 | 1,183,619 | (1,212,855) |
| 15200607 | Distr. Remove & Replace | (1,176) | 539,453 | (372,471) |
| 15200707 | Distr. system Improvements | 341,130 | 1,311,029 | (1,369,343) |
| 15201707 | Ruidoso Pure Project | 37,563 | 703,991 | (690,269) |
| 15202025 | Ruidoso Hospital Upgrade | - | 1,655,392 | (1,655,392) |
| 15500607 | Distr. Remove & Replace | 79,751 | 855,948 | (656,259) |
| 15500707 | Distr. system Improvements | 881,014 | 1,562,792 | (1,936,021) |
| 15501707 | Silver City Pure Project | 626,630 | 2,414,975 | (2,887,753) |
| 15502321 | Gila National Forest CO1 | 504,261 | 1,380,962 | (1,885,224) |
| 15505225 | HFA Pole Rplc SilverCity/Ruidoso | 1,964,243 | 1,216,848 | (3,181,091) |
| 20000607 | Distr. Remove & Replace | 96,383 | 960,866 | (760,694) |
| 20000707 | Distr. system Improvements | 135,361 | 622,815 | (570,094) |
| 20001707 | Deming Pure Project | 25,236 | 317,068 | (325,211) |
| 30000607 | Distr. Remove & Replace | 20,751 | 84,799 | (82,730) |

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| Project # | Project Name | Net BegBal-Jul-26 | Costs 7/26-9/28 | Clearings 7/26-9/28 |
|---|---|---|---|---|
| 30000707 | Distr. system Improvements | 77,084 | 230,540 | (234,347) |
| 41000607 | Distr. Remove & Replace | 1,231,880 | 477,361 | (1,528,498) |
| 41000608 | Distr. Remove & Replace T&D | 265,670 | 1,577,889 | (1,517,482) |
| 41000707 | Distr. system Improvements | 702,860 | 1,552,550 | (1,828,455) |
| 41001707 | Santa Fe Pure Project | - | 707,355 | (653,751) |
| 41001825 | Cerillos Rd | 84,372 | 2,502,686 | (2,587,058) |
| 41002316 | Bird Guard Reliabilty | 4,136 | 287,456 | (269,019) |
| 41002516 | Pole Grounds | 7,469 | 49,882 | (53,267) |
| 50000607 | Distr. Remove & Replace | 602,760 | 772,795 | (1,185,719) |
| 50000707 | Distr. system Improvements | 288,372 | 1,033,883 | (988,484) |
| 60001644 | Cable Replacement Program 2023-2024 | 637,009 | 3,246 | (640,255) |
| 60001645 | Cable Replacement Program 2024-2025 | 235,379 | 693 | (236,072) |
| 60001646 | Cable Replacement Program 2025-2026 | 4,829,016 | 5,747,702 | (10,576,717) |
| 60001647 | Cable Replacement Program 2026-2027 | - | 14,627,470 | (14,627,470) |
| 60001648 | Cable Replacement Program 2027-2028 | - | 13,629,862 | (9,202,121) |
| 60001715 | Storm Funding Project Co01 | (13,533) | 2,798,808 | (2,785,275) |
| 60001727 | Northern OSMOSE Pole Rplcmnts 27-28 | - | 7,613,927 | (7,163,956) |
| 60001746 | Dist Struc Replace and Upgrade 2025 | 314,697 | 593,472 | (908,169) |
| 60001747 | Dist Struc Replace and Upgrade 2026 | - | 311,637 | (311,637) |
| 60001748 | Dist Struc Replace and Upgrade 2027 | - | 4,705,739 | (2,775,853) |
| 60001826 | State Wide Private Light Conversion | 63,729 | 3,572,023 | (3,094,753) |
| 60001845 | Switchgear Replace and Upgrade 2024 | 126,873 | 404 | (127,277) |
| 60001846 | Switchgear Replace and Upgrade 2025 | 730,606 | 107,701 | (838,307) |
| 60001847 | Switchgear Replace and Upgrade 2026 | - | 576,743 | (576,743) |
| 60001848 | Switchgear Replace and Upgrade 2027 | - | 2,425,503 | (1,494,063) |
| 60001927 | Joint Use Make Ready 2027 | - | 3,592,185 | (3,592,185) |
| 60001945 | Smart Devi Replace and Upgrade 2024 | 224,082 | 189 | (224,272) |
| 60001946 | Smart Devi Replace and Upgrade 2025 | 867,567 | 678,153 | (1,545,720) |
| 60001947 | Smart Devi Replace and Upgrade 2026 | - | 613,175 | (613,175) |
| 60001948 | Smart Devi Replace and Upgrade 2027 | - | 2,472,267 | (1,703,403) |
| 60002010 | Misc Substation Improvements Blanke | - | 169,674 | (169,674) |
| 60002110 | Misc 46kv Line | 390,038 | 253,116 | (565,891) |
| 60002145 | Open Wire Secondary Upgrade 2024-20 | 298,121 | 6 | (298,127) |
| 60002146 | Open Wire Secondary Upgrade 2025-20 | 1,087,792 | 4,150 | (1,091,941) |
| 60002147 | Open Wire Secondary Upgrade 2026 | - | 1,106,582 | (1,106,582) |
| 60002148 | Open Wire Secondary Upgrade 2027 | - | 1,247,425 | (897,412) |
| 60002226 | Facility Conflicts 2026 | - | 1,339,947 | (1,339,947) |
| 60002227 | Facility Conflicts 2027 | - | 1,162,986 | (1,162,986) |
| 60002245 | Distribution Looping 2024-2025 | 1,469,118 | 5,886 | (1,475,004) |
| 60002246 | Distribution Looping 2025-2026 | 3,150,250 | 1,036,600 | (4,186,851) |
| 60002247 | Distribution Looping 2026-2027 | - | 2,041,636 | (2,041,636) |
| 60002248 | Distribution Looping 2027-2028 | - | 6,405,218 | (3,942,797) |
| 60002442 | Not in Service Conductors-WFF | 93,438 | 272,567 | (366,005) |
| 60002824 | Dist Substation Ground Replacements | 39,199 | - | (39,199) |
| 60002920 | Outage Contingency Plan Impr-WFF | 535,611 | 2,729 | (538,340) |
| 60003520 | Relay Distribution IA | - | 114,264 | (94,872) |
| 60004225 | Distribution Pole Replcmt Prog 2025 | 422,624 | 4,949,023 | (843,119) |
| 60005327 | Northern Osmose Pole Replacements | 1,358,189 | 2,825,410 | (4,183,599) |
| 60005425 | Wildfire Mitigation 2025-2026 | 2,642,241 | 1,337,677 | (3,979,918) |
| 60005426 | Wildfire Mitigation 2026-2027 | 485,819 | 258,449 | (744,268) |
| 60005427 | Wildfire Mitigation 2027-2028 | - | 10,661,699 | (6,327,925) |
| 60005527 | Joint Use 2028 | - | 8,788,767 | (4,950,234) |
| 60005726 | Joint Use Make Ready 2026 | 669,551 | 6,404,695 | (7,074,246) |

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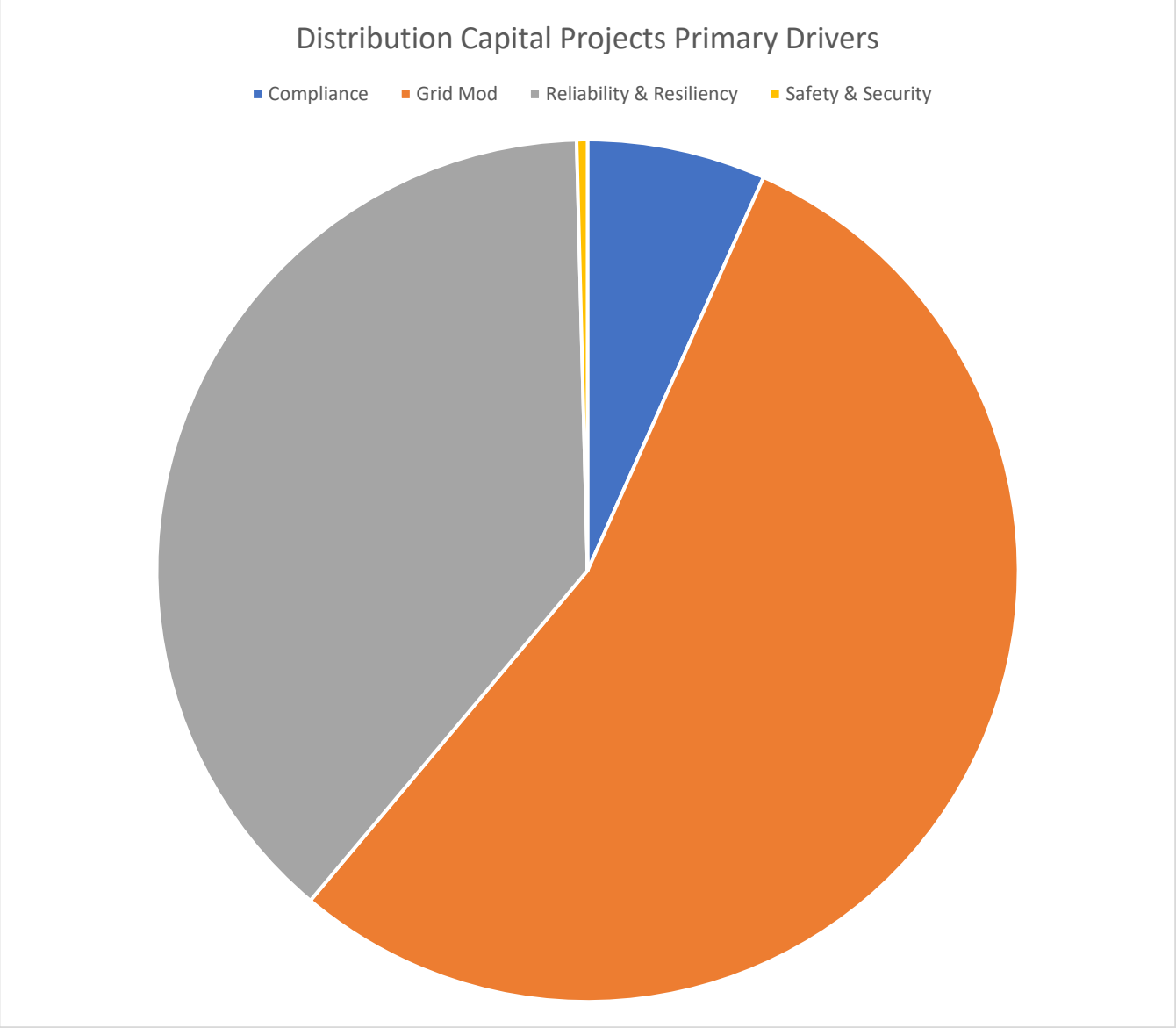
| Project # | Project Name | Net BegBal-Jul-26 | Costs 7/26-9/28 | Clearings 7/26-9/28 |
|---|---|---|---|---|
| 60005910 | Substation Equipment Replacements B | 887,822 | 3,041,729 | (2,804,149) |
| 89900607 | Distr. Remove & Replace | 222,459 | 203,325 | (383,652) |
| 89900707 | Distr. system Improvements | 472,019 | 461,640 | (816,689) |
| 90000607 | Distr. Remove & Replace | 0 | 51,959 | (35,150) |
| **Total** | | **77,732,107** | **459,794,373** | **(470,587,326)** |

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 |
|---|---|---|
| 10001207 | Pole Replacements | (9,606) |
| 15101207 | Pole Replacement | (1,437) |
| 30001707 | Las Vegas Pure Project | (14) |
| 60001745 | Dist Struc Replace and Upgrade 2024 | (18,101) |
| 60002020 | Pole Replacement Program Dist | (358) |
| 60002050 | Highway Crossings 2025-2026 | (11,187) |
| 60003925 | Sandia Battery Storage 60MW-CO1 | (5,491) |
| 60004425 | WF Enhanced Sit Awareness Co1 | (7,481) |
| 90000707 | Distr. system Improvements | (6,447) |
| **Total** | | **(60,121)** |




| Primary Driver | Project # | Project Name | Clearings 7/26-9/28 |
|---|---|---|---|
| Compliance | 10000508 | Lighting T&D | (6,229,692) |
| Compliance | 10001826 | San Pedro Widening | (230,883) |
| Compliance | 10002325 | 4th Street and St Mary's Way | (435,997) |
| Compliance | 15000508 | Lighting T&D | (818,779) |
| Compliance | 41001825 | Cerillos Rd | (2,587,058) |
| Compliance | 60001826 | State Wide Private Light Conversion | (3,094,753) |
| Compliance | 60001927 | Joint Use Make Ready 2027 | (3,592,185) |
| Compliance | 60002226 | Facility Conflicts 2026 | (1,339,947) |
| Compliance | 60002227 | Facility Conflicts 2027 | (1,162,986) |
| Compliance | 60005527 | Joint Use 2028 | (4,950,234) |
| Compliance | 60005726 | Joint Use Make Ready 2026 | (7,074,246) |
| Grid Mod | 10505323 | Grid Mod - AMI (Advcd Mtrg Infrstr) | (161,908,452) |
| Grid Mod | 10505423 | Grid Mod - Distribution Automation | (44,305,584) |
| Grid Mod | 10505623 | Grid Mod - Dist Planning & Engineer | (1,571,297) |
| Grid Mod | 10528023 | Grid Mod - Customer Info and Analyt | (2,222,319) |
| Grid Mod | 10528123 | Grid Mod - Cybersecurity | (4,851,314) |
| Grid Mod | 10528223 | Grid Mod - ADMS | (4,065,325) |

| Primary Driver | Project # | Project Name | Clearings 7/26-9/28 |
|---|---|---|---|
| Grid Mod | 10528323 | Grid Mod - Data Mgmt & Architecture | (10,306,023) |
| Grid Mod | 10534224 | Grid Mod - Telecommunications | (26,905,944) |
| Reliability & Resiliency | 10000607 | Distr. Remove & Replace | (7,138,345) |
| Reliability & Resiliency | 10000608 | Dist. Remove & Replace T&D | (8,202,858) |
| Reliability & Resiliency | 10000707 | Distr. system Improvements | (14,794,058) |
| Reliability & Resiliency | 10001307 | Cable Replacement | (90,747) |
| Reliability & Resiliency | 10001627 | Central OSMOSE Replacements 27-28 | (3,537,613) |
| Reliability & Resiliency | 10001707 | Albuquerque Pure Project | (4,968,927) |
| Reliability & Resiliency | 10001922 | Overlook Distribution Rebuild | (11,126,590) |
| Reliability & Resiliency | 10002125 | Lightning Mitigation 2025-2026 | (603,332) |
| Reliability & Resiliency | 10002316 | Bird Guard Reliability | (514,420) |
| Reliability & Resiliency | 10002326 | Angel Rd - CRP 23-24 | (108,253) |
| Reliability & Resiliency | 10002425 | Camino Sin Pasada - CRP2324 | (76,040) |
| Reliability & Resiliency | 10002516 | Pole Grounds Co01 | (443,261) |
| Reliability & Resiliency | 10005228 | Central Osmose Pole Replacements | (1,167,402) |
| Reliability & Resiliency | 14000607 | Distr. Remove & Replace | (826,667) |
| Reliability & Resiliency | 14000707 | Distr. system Improvements | (412,129) |
| Reliability & Resiliency | 15000608 | Distr. Remove & Replace T&D | (8,326,828) |
| Reliability & Resiliency | 15002316 | Bird Guard Reliabilty Co34 | (932,010) |
| Reliability & Resiliency | 15100607 | Distr. Remove & Replace | (126,605) |
| Reliability & Resiliency | 15100707 | Distr. system Improvements | (410,511) |
| Reliability & Resiliency | 15101807 | Alamorgordo Pure Project | (1,212,855) |
| Reliability & Resiliency | 15200607 | Distr. Remove & Replace | (372,471) |
| Reliability & Resiliency | 15200707 | Distr. system Improvements | (1,369,343) |
| Reliability & Resiliency | 15201707 | Ruidoso Pure Project | (690,269) |
| Reliability & Resiliency | 15202025 | Ruidoso Hospital Upgrade | (1,655,392) |
| Reliability & Resiliency | 15500607 | Distr. Remove & Replace | (656,259) |
| Reliability & Resiliency | 15500707 | Distr. system Improvements | (1,936,021) |
| Reliability & Resiliency | 15501707 | Silver City Pure Project | (2,887,753) |
| Reliability & Resiliency | 15505225 | HFA Pole Rplc SilverCity/Ruidoso | (3,181,091) |
| Reliability & Resiliency | 20000607 | Distr. Remove & Replace | (760,694) |
| Reliability & Resiliency | 20000707 | Distr. system Improvements | (570,094) |
| Reliability & Resiliency | 20001707 | Deming Pure Project | (325,211) |
| Reliability & Resiliency | 30000607 | Distr. Remove & Replace | (82,730) |
| Reliability & Resiliency | 30000707 | Distr. system Improvements | (234,347) |
| Reliability & Resiliency | 41000607 | Distr. Remove & Replace | (1,528,498) |
| Reliability & Resiliency | 41000608 | Distr. Remove & Replace T&D | (1,517,482) |
| Reliability & Resiliency | 41000707 | Distr. system Improvements | (1,828,455) |
| Reliability & Resiliency | 41001707 | Santa Fe Pure Project | (653,751) |
| Reliability & Resiliency | 41002316 | Bird Guard Reliabilty | (269,019) |
| Reliability & Resiliency | 41002516 | Pole Grounds | (53,267) |
| Reliability & Resiliency | 50000607 | Distr. Remove & Replace | (1,185,719) |
| Reliability & Resiliency | 50000707 | Distr. system Improvements | (988,484) |
| Reliability & Resiliency | 60001644 | Cable Replacement Program 2023-2024 | (640,255) |
| Reliability & Resiliency | 60001645 | Cable Replacement Program 2024-2025 | (236,072) |
| Reliability & Resiliency | 60001646 | Cable Replacement Program 2025-2026 | (10,576,717) |
| Reliability & Resiliency | 60001647 | Cable Replacement Program 2026-2027 | (14,627,470) |
| Reliability & Resiliency | 60001648 | Cable Replacement Program 2027-2028 | (9,202,121) |
| Reliability & Resiliency | 60001715 | Storm Funding Project Co01 | (2,785,275) |
| Reliability & Resiliency | 60001727 | Northern OSMOSE Pole Rplcmnts 27-28 | (7,163,956) |
| Reliability & Resiliency | 60001746 | Dist Struc Replace and Upgrade 2025 | (908,169) |
| Reliability & Resiliency | 60001747 | Dist Struc Replace and Upgrade 2026 | (311,637) |
| Reliability & Resiliency | 60001748 | Dist Struc Replace and Upgrade 2027 | (2,775,853) |
| Reliability & Resiliency | 60001845 | Switchgear Replace and Upgrade 2024 | (127,277) |

| Primary Driver | Project # | Project Name | Clearings 7/26-9/28 |
|---|---|---|---|
| **Reliability & Resiliency** | **60001846** | **Switchgear Replace and Upgrade 2025** | (838,307) |
| **Reliability & Resiliency** | **60001847** | **Switchgear Replace and Upgrade 2026** | (576,743) |
| **Reliability & Resiliency** | **60001848** | **Switchgear Replace and Upgrade 2027** | (1,494,063) |
| **Reliability & Resiliency** | **60001945** | **Smart Devi Replace and Upgrade 2024** | (224,272) |
| **Reliability & Resiliency** | **60001946** | **Smart Devi Replace and Upgrade 2025** | (1,545,720) |
| **Reliability & Resiliency** | **60001947** | **Smart Devi Replace and Upgrade 2026** | (613,175) |
| **Reliability & Resiliency** | **60001948** | **Smart Devi Replace and Upgrade 2027** | (1,703,403) |
| **Reliability & Resiliency** | **60002010** | **Misc Substation Improvements Blanke** | (169,674) |
| **Reliability & Resiliency** | **60002110** | **Misc 46kv Line** | (565,891) |
| **Reliability & Resiliency** | **60002145** | **Open Wire Secondary Upgrade 2024-20** | (298,127) |
| **Reliability & Resiliency** | **60002146** | **Open Wire Secondary Upgrade 2025-20** | (1,091,941) |
| **Reliability & Resiliency** | **60002147** | **Open Wire Secondary Upgrade 2026** | (1,106,582) |
| **Reliability & Resiliency** | **60002148** | **Open Wire Secondary Upgrade 2027** | (897,412) |
| **Reliability & Resiliency** | **60002245** | **Distribution Looping 2024-2025** | (1,475,004) |
| **Reliability & Resiliency** | **60002246** | **Distribution Looping 2025-2026** | (4,186,851) |
| **Reliability & Resiliency** | **60002247** | **Distribution Looping 2026-2027** | (2,041,636) |
| **Reliability & Resiliency** | **60002248** | **Distribution Looping 2027-2028** | (3,942,797) |
| **Reliability & Resiliency** | **60002442** | **Not in Service Conductors-WFF** | (366,005) |
| **Reliability & Resiliency** | **60002920** | **Outage Contingency Plan Impr-WFF** | (538,340) |
| **Reliability & Resiliency** | **60003520** | **Relay Distribution IA** | (94,872) |
| **Reliability & Resiliency** | **60004225** | **Distribution Pole Replcmt Prog 2025** | (843,119) |
| **Reliability & Resiliency** | **60005327** | **Northern Osmose Pole Replacements** | (4,183,599) |
| **Reliability & Resiliency** | **60005425** | **Wildfire Mitigation 2025-2026** | (3,979,918) |
| **Reliability & Resiliency** | **60005426** | **Wildfire Mitigation 2026-2027** | (744,268) |
| **Reliability & Resiliency** | **60005427** | **Wildfire Mitigation 2027-2028** | (6,327,925) |
| **Reliability & Resiliency** | **60005910** | **Substation Equipment Replacements B** | (2,804,149) |
| **Reliability & Resiliency** | **89900607** | **Distr. Remove & Replace** | (383,652) |
| **Reliability & Resiliency** | **89900707** | **Distr. system Improvements** | (816,689) |
| **Reliability & Resiliency** | **90000607** | **Distr. Remove & Replace** | (35,150) |
| **Safety & Security** | **15502321** | **Gila National Forest CO1** | (1,885,224) |
| **Safety & Security** | **60002824** | **Dist Substation Ground Replacements** | (39,199) |
| **Grand Total** | | | **(470,587,326)** |

| Driver | Percentage | Amount |
|---|---|---|
| Compliance | 6.70% | (31,516,760) |
| Grid Mod | 54.43% | (256,136,258) |
| Reliability & Resiliency | 38.46% | (181,009,885) |
| Safety & Security | 0.41% | (1,924,423) |
| | 100.00% | (470,587,326) |

## Project No: 10000508 Lighting T&D

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2032

| County % | | |
|---|---|---|
| | Bernalillo | 60% |
| | Valencia | 20% |
| | Valencia | 20% |

Description

This project includes costs for the installation, relocation, removal or replacement of PNM owned street lighting and floodlighting, and the removal or replacement of private area lighting. This work includes poles, light fixtures, wiring, and ancillary lighting equipment. The poles may be either wood or aluminum ranging in size from 30 to 45 feet. Fixtures include high pressure sodium lights ranging from 70 to 400 watts per fixture and LED lights ranging from 25 to 300 watts. For PNM owned streetlights, this will include the installation of 150 feet of service wire and the light. All street lighting and floodlighting systems installed will adhere to PNM equipment standards provided in Rate Schedule 20 allowing for efficient and effective maintenance in the future.

## Project No: **10000508 Lighting T&D**

Project Need Justification

This project provides the funds necessary to meet PNM's contractual obligations with municipal corporations and subdivisions within the state of New Mexico and service requirements allowed under the rate schedules. This project will allow PNM to install streetlighting and flood lighting systems in accordance with PNM Rate Schedule 20 Integrated System Streetlighting and Flood Lighting Service – New Installations and PNM Rate Schedule 6 Private Area Lighting Service

## Project No: **10000508 Lighting T&D**

Project Alternatives

Due to contractual obligations and requirements under the rate schedules, there are no other alternative methods for this project. Under Rate Schedule 20, customers have the option to own streetlights and pay PNM or a contractor for their installation, or to request that PNM install and own the lights. Customers may request installation of LED lights, high pressure sodium lights, or LED operational substitutes for converting existing mercury vapor, high pressure sodium, or low-pressure sodium lights. Under Rate Schedule 6 and the terms of the Agreement for Lighting Service thereunder, private lights are removed at the customer's request and at PNM's costs. PNM must honor installation requests under PNM Rate 20.

**Project No:** **10000508** **Lighting T&D**

| | |
|---|---|
| Project Estimate Approach | Historical spend in this funding project was analyzed to develop this project's estimated future spend. This blanket's project spend forecast is prepared by escalating the most recent 12-month actual spend by labor and non-labor escalation rates. |

**Project No:** **10000508** **Lighting T&D**

| | |
|---|---|
| Customer Benefit | The customer benefit from this project is electric service for their streetlighting and/or floodlighting needs. |

## Project No: 10000508 Lighting T&D

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project is implemented in accordance with PNM Rate Schedule 20 - Integrated System Streetlighting and Floodlighting Service, and PNM Rate Schedule 6 - Private Area Lighting Service and new installations. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10000508** **Lighting T&D**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10000508 Lighting T&D

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 99,956 | 4,728 | 6,880 | 1,291 | 11,705 | 12,125 | 2,400 | 139,085 |
| 120: Overtime-General | 309,604 | - | - | - | - | - | - | 309,604 |
| 350: Material Issues-Major | 1,229,216 | 44,915 | 65,364 | 12,266 | 111,199 | 115,185 | 22,801 | 1,600,945 |
| 370: Outside Services | 274,440 | 68,554 | 99,766 | 18,722 | 169,724 | 175,808 | 34,801 | 841,816 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 22,550 | - | - | - | - | - | - | 22,550 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 134,237 | - | - | - | - | - | - | 134,237 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (159,353) | - | - | - | - | - | - | (159,353) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 32,119 | 360 | 524 | 98 | 892 | 924 | 183 | 35,100 |
| 914: Pension and Benefits | 75,671 | 880 | 1,280 | 240 | 2,178 | 2,256 | 447 | 82,953 |
| 915: Injuries and Damages | 77,690 | 936 | 1,362 | 256 | 2,318 | 2,401 | 475 | 85,437 |
| 921: Stores Load | 22,845 | 10,235 | 14,895 | 2,795 | 25,340 | 26,248 | 5,196 | 107,554 |
| 922: Minor Material Load | 160,851 | - | - | - | - | - | - | 160,851 |
| 925: E&S Loads | 174,474 | 7,824 | 11,387 | 2,137 | 19,371 | 20,065 | 3,972 | 239,229 |
| 926: A&G Loads | 113,949 | 6,146 | 8,945 | 1,679 | 15,217 | 15,762 | 3,120 | 164,817 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,893,447) | (142,582) | (154,794) | (127,637) | (174,845) | (213,939) | (180,432) | (2,887,677) |
| 825: Closing Cost of Removal | (142,226) | (13,163) | (13,523) | (11,048) | (14,270) | (16,957) | (14,239) | (225,425) |
| Project Net | 532,574 | (11,167) | 42,087 | (99,201) | 168,829 | 139,878 | (121,276) | 651,724 |

## Project No: 10000508 Lighting T&D

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 139,085 | 8,523 | 11,949 | 10,187 | 10,514 | 9,435 | 5,750 |
| 120: Overtime-General | 309,604 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,600,945 | 80,966 | 113,511 | 96,777 | 99,885 | 89,636 | 54,623 |
| 370: Outside Services | 841,816 | 123,580 | 173,254 | 147,712 | 152,456 | 136,813 | 83,372 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 22,550 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 134,237 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (159,353) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 35,100 | 704 | 987 | 841 | 868 | 779 | 475 |
| 914: Pension and Benefits | 82,953 | 1,619 | 2,269 | 1,935 | 1,997 | 1,792 | 1,092 |
| 915: Injuries and Damages | 85,437 | 1,616 | 2,266 | 1,931 | 1,993 | 1,789 | 1,090 |
| 921: Stores Load | 107,554 | 13,576 | 19,034 | 16,228 | 16,749 | 15,030 | 9,159 |
| 922: Minor Material Load | 160,851 | - | - | - | - | - | - |
| 925: E&S Loads | 239,229 | 15,191 | 21,296 | 18,157 | 18,740 | 16,817 | 10,248 |
| 926: A&G Loads | 164,817 | 7,990 | 11,202 | 9,550 | 9,857 | 8,846 | 5,390 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,887,677) | (193,213) | (224,873) | (238,032) | (250,248) | (252,783) | (231,263) |
| 825: Closing Cost of Removal | (225,425) | (15,049) | (17,316) | (18,217) | (19,067) | (19,205) | (17,544) |
| Project Net | 651,724 | 45,502 | 113,579 | 47,070 | 43,744 | 8,949 | (77,607) |

**Project No:** **10000508** **Lighting T&D**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 5,402 | 7,862 | 1,475 | 210,182 |
| 120: Overtime-General | - | - | - | 309,604 |
| 350: Material Issues-Major | 51,322 | 74,689 | 14,016 | 2,276,370 |
| 370: Outside Services | 78,334 | 113,999 | 21,393 | 1,872,729 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 22,550 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 134,237 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (159,353) |
| 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 | 649 | 122 | 40,973 |
| 914: Pension and Benefits | 1,026 | 1,493 | 280 | 96,454 |
| 915: Injuries and Damages | 1,024 | 1,491 | 280 | 98,917 |
| 921: Stores Load | 8,606 | 12,524 | 2,350 | 220,810 |
| 922: Minor Material Load | - | - | - | 160,851 |
| 925: E&S Loads | 9,629 | 14,013 | 2,630 | 365,950 |
| 926: A&G Loads | 5,065 | 7,371 | 1,383 | 231,471 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (212,479) | (213,681) | (173,930) | (4,878,177) |
| 825: Closing Cost of Removal | (16,099) | (16,165) | (13,154) | (377,240) |
| Project Net | (67,724) | 4,245 | (143,156) | 626,326 |

## Project No: 10000508 Lighting T&D

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 210,182 | 13,375 | 13,854 | 2,742 | 240,153 | 8,608 | 12,068 | 10,289 |
| 120: Overtime-General | 309,604 | - | - | - | 309,604 | - | - | - |
| 350: Material Issues-Major | 2,276,370 | 127,063 | 131,618 | 26,054 | 2,561,105 | 81,776 | 114,646 | 97,745 |
| 370: Outside Services | 1,872,729 | 193,938 | 200,890 | 39,766 | 2,307,323 | 124,815 | 174,986 | 149,189 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 22,550 | - | - | - | 22,550 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 134,237 | - | - | - | 134,237 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (159,353) | - | - | - | (159,353) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 40,973 | 1,105 | 1,144 | 226 | 43,449 | 711 | 997 | 850 |
| 914: Pension and Benefits | 96,454 | 2,540 | 2,631 | 521 | 102,146 | 1,635 | 2,292 | 1,954 |
| 915: Injuries and Damages | 98,917 | 2,536 | 2,627 | 520 | 104,600 | 1,632 | 2,288 | 1,951 |
| 921: Stores Load | 220,810 | 21,306 | 22,070 | 4,369 | 268,554 | 13,712 | 19,224 | 16,390 |
| 922: Minor Material Load | 160,851 | - | - | - | 160,851 | - | - | - |
| 925: E&S Loads | 365,950 | 23,839 | 24,693 | 4,888 | 419,370 | 15,342 | 21,509 | 18,338 |
| 926: A&G Loads | 231,471 | 12,539 | 12,989 | 2,571 | 259,569 | 7,553 | 10,590 | 9,029 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,878,177) | (219,110) | (256,952) | (215,319) | (5,569,559) | (220,508) | (246,496) | (255,198) |
| 825: Closing Cost of Removal | (377,240) | (16,540) | (19,378) | (16,235) | (429,394) | (16,619) | (18,570) | (19,222) |
| Project Net | 626,326 | 162,590 | 136,186 | (149,898) | 775,205 | 18,657 | 93,533 | 31,315 |

## Project No: 10000508 Lighting T&D

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 10,619 | 9,530 | 5,807 | 5,456 | 7,941 | 1,490 | 311,961 |
| 120: Overtime-General | - | - | - | - | - | - | 309,604 |
| 350: Material Issues-Major | 100,884 | 90,532 | 55,169 | 51,836 | 75,436 | 14,156 | 3,243,285 |
| 370: Outside Services | 153,981 | 138,181 | 84,206 | 79,117 | 115,139 | 21,607 | 3,348,544 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 22,550 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 134,237 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (159,353) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 877 | 787 | 480 | 451 | 656 | 123 | 49,380 |
| 914: Pension and Benefits | 2,017 | 1,810 | 1,103 | 1,036 | 1,508 | 283 | 115,782 |
| 915: Injuries and Damages | 2,013 | 1,807 | 1,101 | 1,034 | 1,506 | 283 | 118,215 |
| 921: Stores Load | 16,916 | 15,180 | 9,251 | 8,692 | 12,649 | 2,374 | 382,942 |
| 922: Minor Material Load | - | - | - | - | - | - | 160,851 |
| 925: E&S Loads | 18,927 | 16,985 | 10,351 | 9,725 | 14,153 | 2,656 | 547,358 |
| 926: A&G Loads | 9,318 | 8,362 | 5,096 | 4,788 | 6,968 | 1,308 | 322,581 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (264,000) | (263,851) | (240,076) | (219,539) | (219,516) | (178,499) | (7,677,242) |
| 825: Closing Cost of Removal | (19,881) | (19,867) | (18,076) | (16,529) | (16,526) | (13,438) | (588,123) |
| Project Net | 31,673 | (543) | (85,590) | (73,933) | (87) | (147,658) | 642,571 |

## Project No: 10000607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Bernalillo 100%

Estimated Start Date 12/1/2006

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 10000607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **10000607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. A municipality or State of NM submits projects to PNM where they could be widening a road, installing a water line, installing a sewer line, installing a storm drain, or changing the road configuration. PNM potentially has facilities in their Right-of-way. Due to the existing permitting or agreement, PNM has to relocate our facilities to accommodate these requests. PNM cannot leave our facilities stranded as they would be in the way. This funding project is also used to restore lost service if facilities are damaged. Therefore, doing nothing is not a feasible alternative.

## Project No: 10000607 Distr. Remove & Replace

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of the facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **10000607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increase in equipment reliability by maintaining the distribution system integrity. |

## Project No: 10000607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10000607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 10000607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,339,217 | - | - | - | - | - | - | 7,339,217 |
| 120: Overtime-General | 4,645,372 | - | - | - | - | - | - | 4,645,372 |
| 350: Material Issues-Major | 15,108,871 | - | - | - | - | - | - | 15,108,871 |
| 370: Outside Services | 28,635,534 | 220,219 | 220,219 | 220,219 | 220,219 | 220,219 | 220,219 | 29,956,849 |
| 374: Outside Services Legal | 24,302 | - | - | - | - | - | - | 24,302 |
| 377: Outside Svcs-Temp Labor | 509,878 | - | - | - | - | - | - | 509,878 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,706,436 | - | - | - | - | - | - | 4,706,436 |
| 805: Land and Land Rights | 34,267 | - | - | - | - | - | - | 34,267 |
| 807: Non Refundable Contrib | (14,135,938) | - | - | - | - | - | - | (14,135,938) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 890,453 | - | - | - | - | - | - | 890,453 |
| 914: Pension and Benefits | 3,096,658 | - | - | - | - | - | - | 3,096,658 |
| 915: Injuries and Damages | 970,298 | - | - | - | - | - | - | 970,298 |
| 921: Stores Load | 1,546,823 | - | - | - | - | - | - | 1,546,823 |
| 922: Minor Material Load | 1,817,932 | - | - | - | - | - | - | 1,817,932 |
| 925: E&S Loads | 8,170,802 | 14,314 | 14,314 | 14,314 | 14,314 | 14,314 | 14,314 | 8,256,687 |
| 926: A&G Loads | 3,379,088 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 11,451 | 3,447,796 |
| 928: AFUDC Debt | 3,248 | - | - | - | - | - | - | 3,248 |
| 929: AFUDC Equity | 4,336 | - | - | - | - | - | - | 4,336 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (56,262,824) | (253,854) | (250,844) | (248,194) | (245,863) | (243,811) | (242,006) | (57,747,395) |
| 825: Closing Cost of Removal | (8,174,543) | (54,225) | (49,785) | (45,877) | (42,438) | (39,412) | (36,748) | (8,443,027) |
| Project Net | 2,310,209 | (62,095) | (54,643) | (48,086) | (42,316) | (37,238) | (32,769) | 2,033,063 |

## Project No: 10000607 Distr. Remove & Replace

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,339,217 | - | - | - | - | - | - |
| 120: Overtime-General | 4,645,372 | - | - | - | - | - | - |
| 350: Material Issues-Major | 15,108,871 | - | - | - | - | - | - |
| 370: Outside Services | 29,956,849 | 222,999 | 222,999 | 222,999 | 222,999 | 222,999 | 222,999 |
| 374: Outside Services Legal | 24,302 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 509,878 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,706,436 | - | - | - | - | - | - |
| 805: Land and Land Rights | 34,267 | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (14,135,938) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 890,453 | - | - | - | - | - | - |
| 914: Pension and Benefits | 3,096,658 | - | - | - | - | - | - |
| 915: Injuries and Damages | 970,298 | - | - | - | - | - | - |
| 921: Stores Load | 1,546,823 | - | - | - | - | - | - |
| 922: Minor Material Load | 1,817,932 | - | - | - | - | - | - |
| 925: E&S Loads | 8,256,687 | 15,610 | 15,610 | 15,610 | 15,610 | 15,610 | 15,610 |
| 926: A&G Loads | 3,447,796 | 8,362 | 8,362 | 8,362 | 8,362 | 8,362 | 8,362 |
| 928: AFUDC Debt | 3,248 | - | - | - | - | - | - |
| 929: AFUDC Equity | 4,336 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (57,747,395) | (240,527) | (239,226) | (238,081) | (237,073) | (236,186) | (235,406) |
| 825: Closing Cost of Removal | (8,443,027) | (34,413) | (32,358) | (30,550) | (28,958) | (27,558) | (26,325) |
| Project Net | 2,033,063 | (27,969) | (24,613) | (21,659) | (19,060) | (16,773) | (14,760) |

## Project No: 10000607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 7,339,217 |
| 120: Overtime-General | - | - | - | 4,645,372 |
| 350: Material Issues-Major | - | - | - | 15,108,871 |
| 370: Outside Services | 222,999 | 222,999 | 222,999 | 31,963,840 |
| 374: Outside Services Legal | - | - | - | 24,302 |
| 377: Outside Svcs-Temp Labor | - | - | - | 509,878 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 4,706,436 |
| 805: Land and Land Rights | - | - | - | 34,267 |
| 807: Non Refundable Contrib | - | - | - | (14,135,938) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 890,453 |
| 914: Pension and Benefits | - | - | - | 3,096,658 |
| 915: Injuries and Damages | - | - | - | 970,298 |
| 921: Stores Load | - | - | - | 1,546,823 |
| 922: Minor Material Load | - | - | - | 1,817,932 |
| 925: E&S Loads | 15,610 | 15,610 | 15,610 | 8,397,177 |
| 926: A&G Loads | 8,362 | 8,362 | 8,362 | 3,523,058 |
| 928: AFUDC Debt | - | - | - | 3,248 |
| 929: AFUDC Equity | - | - | - | 4,336 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (234,719) | (234,115) | (233,583) | (59,876,312) |
| 825: Closing Cost of Removal | (25,241) | (24,287) | (23,447) | (8,696,164) |
| Project Net | (12,989) | (11,430) | (10,059) | 1,873,752 |

## Project No: 10000607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,339,217 | - | - | - | 7,339,217 | - | - | - |
| 120: Overtime-General | 4,645,372 | - | - | - | 4,645,372 | - | - | - |
| 350: Material Issues-Major | 15,108,871 | - | - | - | 15,108,871 | - | - | - |
| 370: Outside Services | 31,963,840 | 222,999 | 222,999 | 222,999 | 32,632,837 | 219,336 | 219,336 | 219,336 |
| 374: Outside Services Legal | 24,302 | - | - | - | 24,302 | - | - | - |
| 377: Outside Svcs-Temp Labor | 509,878 | - | - | - | 509,878 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,706,436 | - | - | - | 4,706,436 | - | - | - |
| 805: Land and Land Rights | 34,267 | - | - | - | 34,267 | - | - | - |
| 807: Non Refundable Contrib | (14,135,938) | - | - | - | (14,135,938) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 890,453 | - | - | - | 890,453 | - | - | - |
| 914: Pension and Benefits | 3,096,658 | - | - | - | 3,096,658 | - | - | - |
| 915: Injuries and Damages | 970,298 | - | - | - | 970,298 | - | - | - |
| 921: Stores Load | 1,546,823 | - | - | - | 1,546,823 | - | - | - |
| 922: Minor Material Load | 1,817,932 | - | - | - | 1,817,932 | - | - | - |
| 925: E&S Loads | 8,397,177 | 15,610 | 15,610 | 15,610 | 8,444,006 | 15,354 | 15,354 | 15,354 |
| 926: A&G Loads | 3,523,058 | 8,362 | 8,362 | 8,362 | 3,548,146 | 7,699 | 7,699 | 7,699 |
| 928: AFUDC Debt | 3,248 | - | - | - | 3,248 | - | - | - |
| 929: AFUDC Equity | 4,336 | - | - | - | 4,336 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (59,876,312) | (233,115) | (232,703) | (232,341) | (60,574,471) | (231,511) | (230,780) | (230,137) |
| 825: Closing Cost of Removal | (8,696,164) | (22,708) | (22,057) | (21,485) | (8,762,415) | (20,943) | (20,466) | (20,046) |
| Project Net | 1,873,752 | (8,852) | (7,789) | (6,855) | 1,850,256 | (10,065) | (8,857) | (7,795) |

## Project No: 10000607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 7,339,217 |
| 120: Overtime-General | - | - | - | - | - | - | 4,645,372 |
| 350: Material Issues-Major | - | - | - | - | - | - | 15,108,871 |
| 370: Outside Services | 219,336 | 219,336 | 219,336 | 219,336 | 219,336 | 219,336 | 34,606,861 |
| 374: Outside Services Legal | - | - | - | - | - | - | 24,302 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 509,878 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 4,706,436 |
| 805: Land and Land Rights | - | - | - | - | - | - | 34,267 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (14,135,938) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 890,453 |
| 914: Pension and Benefits | - | - | - | - | - | - | 3,096,658 |
| 915: Injuries and Damages | - | - | - | - | - | - | 970,298 |
| 921: Stores Load | - | - | - | - | - | - | 1,546,823 |
| 922: Minor Material Load | - | - | - | - | - | - | 1,817,932 |
| 925: E&S Loads | 15,354 | 15,354 | 15,354 | 15,354 | 15,354 | 15,354 | 8,582,188 |
| 926: A&G Loads | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 7,699 | 3,617,434 |
| 928: AFUDC Debt | - | - | - | - | - | - | 3,248 |
| 929: AFUDC Equity | - | - | - | - | - | - | 4,336 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (229,571) | (229,073) | (228,635) | (228,249) | (227,910) | (227,611) | (62,637,947) |
| 825: Closing Cost of Removal | (19,677) | (19,351) | (19,065) | (18,814) | (18,592) | (18,397) | (8,937,765) |
| Project Net | (6,859) | (6,036) | (5,312) | (4,674) | (4,113) | (3,620) | 1,792,924 |

## Project No: 10000608 Dist. Remove & Replace T&D

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2032

| County % | | |
|---|---|---|
| | Bernalillo | 60% |
| | Valencia | 20% |
| | Sandoval | 20% |

Description

The purpose of this project is to replace distribution facilities damaged by conditions such as storms, normal aging, human error (vehicles), varmints, etc. The replacements are most often like-for-like and may include any and all overhead and underground distribution line apparatus.

**Project No:** **10000608** **Dist. Remove & Replace T&D**

Project Need Justification

The replacement of these failed distribution facilities are often associated with customer outages and must be addressed rapidly in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **10000608** **Dist. Remove & Replace T&D**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing. However, this project is necessary to restore power following loss of service. This project aids in the safe and expedient restoration of service paramount. Therefore, the alternative to do nothing was not considered. |

## Project No: 10000608 Dist. Remove & Replace T&D

| | |
|---|---|
| Project Estimate Approach | Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **10000608** **Dist. Remove & Replace T&D**

| | |
|---|---|
| Customer Benefit | Customers benefit from the restoration of power and increase to reliability following the installation of new line assets. |

**Project No:** **10000608** **Dist. Remove & Replace T&D**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **10000608** **Dist. Remove & Replace T&D**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements during relocation design, new equipment and facilities are installed and are up to current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 10000608 Dist. Remove & Replace T&D

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,297,137 | 16,238 | 16,238 | 16,238 | 16,238 | 16,238 | 16,238 | 1,394,568 |
| 120: Overtime-General | 2,574,463 | - | - | - | - | - | - | 2,574,463 |
| 350: Material Issues-Major | 2,763,643 | 106,592 | 106,592 | 106,592 | 106,592 | 106,592 | 106,592 | 3,403,196 |
| 370: Outside Services | 3,719,371 | 190,588 | 190,588 | 190,588 | 190,588 | 190,588 | 190,588 | 4,862,898 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 89,421 | - | - | - | (240,000) | (240,000) | (240,000) | (630,579) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,672,393 | - | - | - | - | - | - | 1,672,393 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (533,474) | - | - | - | - | - | - | (533,474) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 305,427 | 1,237 | 1,237 | 1,237 | 1,237 | 1,237 | 1,237 | 312,852 |
| 914: Pension and Benefits | 730,310 | 3,022 | 3,022 | 3,022 | 3,022 | 3,022 | 3,022 | 748,442 |
| 915: Injuries and Damages | 718,485 | 3,215 | 3,215 | 3,215 | 3,215 | 3,215 | 3,215 | 737,776 |
| 921: Stores Load | 118,022 | 24,290 | 24,290 | 24,290 | 24,290 | 24,290 | 24,290 | 263,764 |
| 922: Minor Material Load | 459,419 | - | - | - | - | - | - | 459,419 |
| 925: E&S Loads | 938,437 | 20,858 | 20,858 | 20,858 | 5,258 | 5,258 | 5,258 | 1,016,785 |
| 926: A&G Loads | 578,748 | 16,298 | 16,298 | 16,298 | 3,818 | 3,818 | 3,818 | 639,095 |
| 928: AFUDC Debt | 363 | - | - | - | - | - | - | 363 |
| 929: AFUDC Equity | 241 | - | - | - | - | - | - | 241 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (11,629,108) | (158,482) | (182,133) | (202,946) | (191,344) | (181,134) | (172,149) | (12,717,298) |
| 825: Closing Cost of Removal | (2,255,376) | (72,859) | (67,327) | (62,460) | (55,924) | (50,173) | (45,112) | (2,609,231) |
| Project Net | 1,547,921 | 150,998 | 132,878 | 116,933 | (133,009) | (117,048) | (103,002) | 1,595,672 |

## Project No: 10000608 Dist. Remove & Replace T&D

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,394,568 | 15,860 | 15,860 | 15,860 | 15,860 | 15,860 | 15,860 |
| 120: Overtime-General | 2,574,463 | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,403,196 | 106,752 | 106,752 | 106,752 | 106,752 | 106,752 | 106,752 |
| 370: Outside Services | 4,862,898 | 190,508 | 190,508 | 190,508 | 190,508 | 190,508 | 190,508 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | (630,579) | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,672,393 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (533,474) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 312,852 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 |
| 914: Pension and Benefits | 748,442 | 3,012 | 3,012 | 3,012 | 3,012 | 3,012 | 3,012 |
| 915: Injuries and Damages | 737,776 | 3,007 | 3,007 | 3,007 | 3,007 | 3,007 | 3,007 |
| 921: Stores Load | 263,764 | 17,900 | 17,900 | 17,900 | 17,900 | 17,900 | 17,900 |
| 922: Minor Material Load | 459,419 | - | - | - | - | - | - |
| 925: E&S Loads | 1,016,785 | 22,431 | 22,431 | 22,431 | 22,431 | 22,431 | 22,431 |
| 926: A&G Loads | 639,095 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 |
| 928: AFUDC Debt | 363 | - | - | - | - | - | - |
| 929: AFUDC Equity | 241 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (12,717,298) | (193,065) | (211,471) | (227,668) | (241,921) | (254,464) | (265,502) |
| 825: Closing Cost of Removal | (2,609,231) | (42,828) | (40,818) | (39,049) | (37,492) | (36,122) | (34,917) |
| Project Net | 1,595,672 | 136,630 | 120,234 | 105,806 | 93,109 | 81,936 | 72,104 |

## Project No: 10000608 Dist. Remove & Replace T&D

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 15,860 | 15,860 | 15,860 | 1,537,308 |
| 120: Overtime-General | - | - | - | 2,574,463 |
| 350: Material Issues-Major | 106,752 | 106,752 | 106,752 | 4,363,964 |
| 370: Outside Services | 190,508 | 190,508 | 190,508 | 6,577,470 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | (630,579) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,672,393 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (533,474) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 1,310 | 1,310 | 1,310 | 324,642 |
| 914: Pension and Benefits | 3,012 | 3,012 | 3,012 | 775,548 |
| 915: Injuries and Damages | 3,007 | 3,007 | 3,007 | 764,840 |
| 921: Stores Load | 17,900 | 17,900 | 17,900 | 424,865 |
| 922: Minor Material Load | - | - | - | 459,419 |
| 925: E&S Loads | 22,431 | 22,431 | 22,431 | 1,218,668 |
| 926: A&G Loads | 11,742 | 11,742 | 11,742 | 744,773 |
| 928: AFUDC Debt | - | - | - | 363 |
| 929: AFUDC Equity | - | - | - | 241 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (275,215) | (283,763) | (291,285) | (14,961,651) |
| 825: Closing Cost of Removal | (33,856) | (32,922) | (32,101) | (2,939,335) |
| Project Net | 63,451 | 55,837 | 49,137 | 2,373,917 |

## Project No: 10000608 Dist. Remove & Replace T&D

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,537,308 | 15,860 | 15,860 | 15,860 | 1,584,888 | 15,350 | 15,350 | 15,350 |
| 120: Overtime-General | 2,574,463 | - | - | - | 2,574,463 | - | - | - |
| 350: Material Issues-Major | 4,363,964 | 106,752 | 106,752 | 106,752 | 4,684,220 | 107,867 | 107,867 | 107,867 |
| 370: Outside Services | 6,577,470 | 190,508 | 190,508 | 190,508 | 7,148,994 | 190,349 | 190,349 | 190,349 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | (630,579) | - | - | - | (630,579) | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,672,393 | - | - | - | 1,672,393 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (533,474) | - | - | - | (533,474) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 324,642 | 1,310 | 1,310 | 1,310 | 328,572 | 1,268 | 1,268 | 1,268 |
| 914: Pension and Benefits | 775,548 | 3,012 | 3,012 | 3,012 | 784,583 | 2,915 | 2,915 | 2,915 |
| 915: Injuries and Damages | 764,840 | 3,007 | 3,007 | 3,007 | 773,861 | 2,910 | 2,910 | 2,910 |
| 921: Stores Load | 424,865 | 17,900 | 17,900 | 17,900 | 478,566 | 18,087 | 18,087 | 18,087 |
| 922: Minor Material Load | 459,419 | - | - | - | 459,419 | - | - | - |
| 925: E&S Loads | 1,218,668 | 22,431 | 22,431 | 22,431 | 1,285,962 | 22,446 | 22,446 | 22,446 |
| 926: A&G Loads | 744,773 | 11,742 | 11,742 | 11,742 | 779,999 | 11,006 | 11,006 | 11,006 |
| 928: AFUDC Debt | 363 | - | - | - | 363 | - | - | - |
| 929: AFUDC Equity | 241 | - | - | - | 241 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (14,961,651) | (297,904) | (303,729) | (308,855) | (15,872,139) | (313,330) | (317,268) | (320,733) |
| 825: Closing Cost of Removal | (2,939,335) | (31,378) | (30,742) | (30,182) | (3,031,637) | (29,687) | (29,251) | (28,867) |
| Project Net | 2,373,917 | 43,240 | 38,052 | 33,485 | 2,488,694 | 29,182 | 25,680 | 22,599 |

## Project No: 10000608 Dist. Remove & Replace T&D

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 15,350 | 15,350 | 15,350 | 15,350 | 15,350 | 15,350 | 1,723,038 |
| 120: Overtime-General | - | - | - | - | - | - | 2,574,463 |
| 350: Material Issues-Major | 107,867 | 107,867 | 107,867 | 107,867 | 107,867 | 107,867 | 5,655,023 |
| 370: Outside Services | 190,349 | 190,349 | 190,349 | 190,349 | 190,349 | 190,349 | 8,862,135 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | (630,579) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,672,393 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (533,474) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,268 | 1,268 | 1,268 | 1,268 | 1,268 | 1,268 | 339,983 |
| 914: Pension and Benefits | 2,915 | 2,915 | 2,915 | 2,915 | 2,915 | 2,915 | 810,818 |
| 915: Injuries and Damages | 2,910 | 2,910 | 2,910 | 2,910 | 2,910 | 2,910 | 800,054 |
| 921: Stores Load | 18,087 | 18,087 | 18,087 | 18,087 | 18,087 | 18,087 | 641,350 |
| 922: Minor Material Load | - | - | - | - | - | - | 459,419 |
| 925: E&S Loads | 22,446 | 22,446 | 22,446 | 22,446 | 22,446 | 22,446 | 1,487,977 |
| 926: A&G Loads | 11,006 | 11,006 | 11,006 | 11,006 | 11,006 | 11,006 | 879,054 |
| 928: AFUDC Debt | - | - | - | - | - | - | 363 |
| 929: AFUDC Equity | - | - | - | - | - | - | 241 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (323,782) | (326,466) | (328,827) | (330,905) | (332,734) | (334,343) | (18,800,529) |
| 825: Closing Cost of Removal | (28,530) | (28,232) | (27,971) | (27,741) | (27,539) | (27,360) | (3,286,814) |
| Project Net | 19,887 | 17,500 | 15,400 | 13,552 | 11,926 | 10,495 | 2,654,916 |

## Project No: 10000707 Distr. system Improvements

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

## Project No: 10000707 Distr. system Improvements

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **10000707** **Distr. system Improvements**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations. |

## Project No: 10000707 Distr. system Improvements

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **10000707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

| **Project No:** | **10000707 Distr. system Improvements** |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10000707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 10000707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,564,051 | - | - | - | - | - | - | 2,564,051 |
| 120: Overtime-General | 1,324,812 | - | - | - | - | - | - | 1,324,812 |
| 350: Material Issues-Major | 13,383,328 | - | - | - | - | - | - | 13,383,328 |
| 370: Outside Services | 44,008,225 | 334,484 | 334,484 | 334,484 | 334,484 | 334,484 | 334,484 | 46,015,126 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 23,347 | - | - | - | - | - | - | 23,347 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,135,492 | - | - | - | - | - | - | 1,135,492 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (3,519,216) | - | - | - | - | - | - | (3,519,216) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 280,381 | - | - | - | - | - | - | 280,381 |
| 914: Pension and Benefits | 965,449 | - | - | - | - | - | - | 965,449 |
| 915: Injuries and Damages | 342,587 | - | - | - | - | - | - | 342,587 |
| 921: Stores Load | 833,605 | - | - | - | - | - | - | 833,605 |
| 922: Minor Material Load | 1,263,936 | - | - | - | - | - | - | 1,263,936 |
| 925: E&S Loads | 6,097,618 | 21,741 | 21,741 | 21,741 | 21,741 | 21,741 | 21,741 | 6,228,067 |
| 926: A&G Loads | 3,569,229 | 17,393 | 17,393 | 17,393 | 17,393 | 17,393 | 17,393 | 3,673,588 |
| 928: AFUDC Debt | 508,433 | 14,125 | 13,299 | 12,568 | 11,922 | 11,350 | 10,845 | 582,541 |
| 929: AFUDC Equity | 529,803 | 15,053 | 14,173 | 13,394 | 12,706 | 12,097 | 11,558 | 608,784 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (58,618,575) | (714,485) | (673,739) | (637,701) | (605,828) | (577,638) | (552,706) | (62,380,672) |
| 825: Closing Cost of Removal | (7,499,915) | (196,962) | (176,465) | (158,427) | (142,554) | (128,586) | (116,294) | (8,419,203) |
| Project Net | 7,192,588 | (508,650) | (449,114) | (396,548) | (350,137) | (309,160) | (272,979) | 4,906,000 |

## Project No: 10000707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,564,051 | - | - | - | - | - | - |
| 120: Overtime-General | 1,324,812 | - | - | - | - | - | - |
| 350: Material Issues-Major | 13,383,328 | - | - | - | - | - | - |
| 370: Outside Services | 46,015,126 | 338,262 | 338,262 | 338,262 | 338,262 | 338,262 | 338,262 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 23,347 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,135,492 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (3,519,216) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 280,381 | - | - | - | - | - | - |
| 914: Pension and Benefits | 965,449 | - | - | - | - | - | - |
| 915: Injuries and Damages | 342,587 | - | - | - | - | - | - |
| 921: Stores Load | 833,605 | - | - | - | - | - | - |
| 922: Minor Material Load | 1,263,936 | - | - | - | - | - | - |
| 925: E&S Loads | 6,228,067 | 23,678 | 23,678 | 23,678 | 23,678 | 23,678 | 23,678 |
| 926: A&G Loads | 3,673,588 | 12,685 | 12,685 | 12,685 | 12,685 | 12,685 | 12,685 |
| 928: AFUDC Debt | 582,541 | 9,381 | 9,027 | 8,714 | 8,438 | 8,193 | 7,976 |
| 929: AFUDC Equity | 608,784 | 12,691 | 12,213 | 11,789 | 11,415 | 11,083 | 10,790 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (62,380,672) | (530,838) | (511,494) | (494,384) | (479,248) | (465,860) | (454,017) |
| 825: Closing Cost of Removal | (8,419,203) | (105,486) | (95,974) | (87,604) | (80,239) | (73,757) | (68,053) |
| Project Net | 4,906,000 | (239,626) | (211,603) | (186,859) | (165,009) | (145,715) | (128,678) |

## Project No: 10000707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 2,564,051 |
| 120: Overtime-General | - | - | - | 1,324,812 |
| 350: Material Issues-Major | - | - | - | 13,383,328 |
| 370: Outside Services | 338,262 | 338,262 | 338,262 | 49,059,484 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 23,347 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,135,492 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (3,519,216) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 280,381 |
| 914: Pension and Benefits | - | - | - | 965,449 |
| 915: Injuries and Damages | - | - | - | 342,587 |
| 921: Stores Load | - | - | - | 833,605 |
| 922: Minor Material Load | - | - | - | 1,263,936 |
| 925: E&S Loads | 23,678 | 23,678 | 23,678 | 6,441,172 |
| 926: A&G Loads | 12,685 | 12,685 | 12,685 | 3,787,752 |
| 928: AFUDC Debt | 7,784 | 7,615 | 7,465 | 657,135 |
| 929: AFUDC Equity | 10,531 | 10,302 | 10,099 | 709,698 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (443,541) | (434,274) | (426,077) | (66,620,404) |
| 825: Closing Cost of Removal | (63,033) | (58,616) | (54,729) | (9,106,695) |
| Project Net | (113,633) | (100,348) | (88,617) | 3,525,911 |

## Project No: 10000707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,564,051 | - | - | - | 2,564,051 | - | - | - |
| 120: Overtime-General | 1,324,812 | - | - | - | 1,324,812 | - | - | - |
| 350: Material Issues-Major | 13,383,328 | - | - | - | 13,383,328 | - | - | - |
| 370: Outside Services | 49,059,484 | 338,262 | 338,262 | 338,262 | 50,074,270 | 332,724 | 332,724 | 332,724 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 23,347 | - | - | - | 23,347 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,135,492 | - | - | - | 1,135,492 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (3,519,216) | - | - | - | (3,519,216) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 280,381 | - | - | - | 280,381 | - | - | - |
| 914: Pension and Benefits | 965,449 | - | - | - | 965,449 | - | - | - |
| 915: Injuries and Damages | 342,587 | - | - | - | 342,587 | - | - | - |
| 921: Stores Load | 833,605 | - | - | - | 833,605 | - | - | - |
| 922: Minor Material Load | 1,263,936 | - | - | - | 1,263,936 | - | - | - |
| 925: E&S Loads | 6,441,172 | 23,678 | 23,678 | 23,678 | 6,512,207 | 23,291 | 23,291 | 23,291 |
| 926: A&G Loads | 3,787,752 | 12,685 | 12,685 | 12,685 | 3,825,806 | 11,679 | 11,679 | 11,679 |
| 928: AFUDC Debt | 657,135 | 7,332 | 7,215 | 7,111 | 678,793 | 6,875 | 6,785 | 6,705 |
| 929: AFUDC Equity | 709,698 | 9,919 | 9,761 | 9,620 | 738,998 | 10,846 | 10,704 | 10,579 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (66,620,404) | (418,826) | (412,412) | (406,739) | (67,858,381) | (401,091) | (396,093) | (391,671) |
| 825: Closing Cost of Removal | (9,106,695) | (51,308) | (48,298) | (45,649) | (9,251,951) | (43,260) | (41,157) | (39,307) |
| Project Net | 3,525,911 | (78,258) | (69,110) | (61,031) | 3,317,512 | (58,937) | (52,068) | (46,000) |

## Project No: 10000707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,564,051 |
| 120: Overtime-General | - | - | - | - | - | - | 1,324,812 |
| 350: Material Issues-Major | - | - | - | - | - | - | 13,383,328 |
| 370: Outside Services | 332,724 | 332,724 | 332,724 | 332,724 | 332,724 | 332,724 | 53,068,786 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 23,347 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,135,492 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (3,519,216) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 280,381 |
| 914: Pension and Benefits | - | - | - | - | - | - | 965,449 |
| 915: Injuries and Damages | - | - | - | - | - | - | 342,587 |
| 921: Stores Load | - | - | - | - | - | - | 833,605 |
| 922: Minor Material Load | - | - | - | - | - | - | 1,263,936 |
| 925: E&S Loads | 23,291 | 23,291 | 23,291 | 23,291 | 23,291 | 23,291 | 6,721,823 |
| 926: A&G Loads | 11,679 | 11,679 | 11,679 | 11,679 | 11,679 | 11,679 | 3,930,913 |
| 928: AFUDC Debt | 6,635 | 6,573 | 6,518 | 6,469 | 6,426 | 6,388 | 738,168 |
| 929: AFUDC Equity | 10,468 | 10,370 | 10,284 | 10,207 | 10,139 | 10,079 | 832,674 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (387,757) | (384,294) | (381,230) | (378,518) | (376,118) | (373,995) | (71,329,149) |
| 825: Closing Cost of Removal | (37,679) | (36,246) | (34,985) | (33,876) | (32,899) | (32,040) | (9,583,400) |
| Project Net | (40,639) | (35,904) | (31,720) | (28,024) | (24,759) | (21,874) | 2,977,586 |

## Project No: 10001307 Cable Replacement

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

PNM is committed to providing safe and reliable electric service to our customers across PNM's service territory. A key element of this commitment is ensuring the long-term health of our infrastructure. This project specifically addresses the challenge of aging underground distribution lines. This project is driven by the need to proactively address aging infrastructure within our underground distribution system. By replacing these components before they fail, we can minimize the risk of outages and ensure long-term service reliability for our customers. The scope of the project includes inspection, assessments, designs, materials, and construction across various areas in the PNM's service territory.

## Project No: 10001307 Cable Replacement

Project Need Justification

We are undertaking a proactive project to identify and replace aging or problematic sections of our underground distribution system. This project focuses on proactively identifying, designing, and replacing problematic single-phase, three-phase, and secondary cables within our underground distribution system. PNM will employ a data-driven approach to prioritize cable replacements. Existing cables will be evaluated based on historical fault and cable age. Cable replacements will improve system design and safety. PNM will ensure that all cable installations adhere to the latest approved design standards. This will strengthen the overall reliability and resiliency of our underground distribution system. PNM will also enhance the safety of our crews and the public. Replacing aging cables not only improves system reliability but also enhances safety for switching, maintenance, and repairs on the underground distribution system.

**Project No:** **10001307 Cable Replacement**

Project Alternatives

1. Do nothing. This was not selected as the underground distribution cables will continue to suffer chronic failure, raising the risk of outages.
2. Repairing failed sections of cable versus replacement. Repairs typically involve cutting out a failed section and splicing in a new piece of cable. Repairs are made on segments that have experienced fewer than two previous repairs to that section. This repair will not correct the root cause of the failure and maintains the risk of outages.
3. Injecting a substance into the conduit to improve the integrity of insulation materials and extend the life of the cable. This technique has shortcomings as it does not address potential problems with cable splices made during installation or where terminating equipment is installed. It will not correct the root cause of the failure and maintains the risk of outages.

## Project No: 10001307 Cable Replacement

| | |
|---|---|
| Project Estimate Approach | PNM maintains spreadsheets based on actual costs for all cable replacements. Due to legacy projects, we have a good idea of the soil conditions when we need to replace cable. We then look at the existing conditions and if we need to relocate the existing facilities from the back lot to the front lot. We determine if there is a need to obtain new easements for the transition. All these factors are inputs for determining a price per foot for a cable replacement, and then the last step is to prioritize what cables need to be replaced. This gives us an idea for budgeting purposes. When we proceed with designs, we will obtain hard-bid quotes from our contractors for boring new conduits, pulling in conductors, and terminating. This allows us to adjust the budget accordingly to ensure we stay within the approved amount. |

**Project No:** **10001307** **Cable Replacement**

| | |
|---|---|
| Customer Benefit | Customers will benefit that we are strengthening the overall reliability and resiliency of our underground distribution system thus minimizing the risk of outages and providing long-term reliability. PNM will also enhance the safety of our crews and the public. Replacing aging cables not only improves system reliability but also enhances safety for switching, maintenance, and repairs on the underground distribution system. |

## Project No: **10001307 Cable Replacement**

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10001307** **Cable Replacement**

General Services

Reliability & Resiliency

This project is driven by the need to proactively address aging infrastructure within our underground distribution system. By replacing these components before they fail, we can minimize the risk of outages and ensure long-term service reliability for our customers.

Safety & Security

Cable replacements will improve system design and safety. PNM will ensure that all cable installations adhere to the latest approved design standards. This will strengthen the overall reliability and resiliency of our underground distribution system. PNM will also enhance the safety of our crews and the public. Replacing aging cables not only improves system reliability but also enhances safety for switching, maintenance, and repairs on the underground distribution system.

Technology Advancements

## Project No: 10001307 Cable Replacement

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,403,242 | - | - | - | - | - | - | 1,403,242 |
| 120: Overtime-General | 292,110 | - | - | - | - | - | - | 292,110 |
| 350: Material Issues-Major | 3,675,927 | - | - | - | - | - | - | 3,675,927 |
| 370: Outside Services | 12,799,609 | - | - | - | - | - | - | 12,799,609 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 4,213 | - | - | - | - | - | - | 4,213 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 522,835 | - | - | - | - | - | - | 522,835 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (24,786) | - | - | - | - | - | - | (24,786) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 127,645 | - | - | - | - | - | - | 127,645 |
| 914: Pension and Benefits | 454,469 | - | - | - | - | - | - | 454,469 |
| 915: Injuries and Damages | 123,523 | - | - | - | - | - | - | 123,523 |
| 921: Stores Load | 618,264 | - | - | - | - | - | - | 618,264 |
| 922: Minor Material Load | 333,833 | - | - | - | - | - | - | 333,833 |
| 925: E&S Loads | 2,846,564 | - | - | - | - | - | - | 2,846,564 |
| 926: A&G Loads | 1,185,482 | - | - | - | - | - | - | 1,185,482 |
| 928: AFUDC Debt | 281,876 | 218 | - | - | - | - | - | 282,094 |
| 929: AFUDC Equity | 294,851 | 233 | - | - | - | - | - | 295,084 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (23,195,448) | (88,978) | - | - | - | - | - | (23,284,427) |
| 825: Closing Cost of Removal | (1,653,913) | (1,768) | - | - | - | - | - | (1,655,682) |
| Project Net | 90,296 | (90,296) | - | - | - | - | - | 0 |

## Project No: 10001307 Cable Replacement

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,403,242 | - | - | - | - | - | - |
| 120: Overtime-General | 292,110 | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,675,927 | - | - | - | - | - | - |
| 370: Outside Services | 12,799,609 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 4,213 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 522,835 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (24,786) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 127,645 | - | - | - | - | - | - |
| 914: Pension and Benefits | 454,469 | - | - | - | - | - | - |
| 915: Injuries and Damages | 123,523 | - | - | - | - | - | - |
| 921: Stores Load | 618,264 | - | - | - | - | - | - |
| 922: Minor Material Load | 333,833 | - | - | - | - | - | - |
| 925: E&S Loads | 2,846,564 | - | - | - | - | - | - |
| 926: A&G Loads | 1,185,482 | - | - | - | - | - | - |
| 928: AFUDC Debt | 282,094 | - | - | - | - | - | - |
| 929: AFUDC Equity | 295,084 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (23,284,427) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (1,655,682) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 10001307 Cable Replacement

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,403,242 |
| 120: Overtime-General | - | - | - | 292,110 |
| 350: Material Issues-Major | - | - | - | 3,675,927 |
| 370: Outside Services | - | - | - | 12,799,609 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 4,213 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 522,835 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (24,786) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 127,645 |
| 914: Pension and Benefits | - | - | - | 454,469 |
| 915: Injuries and Damages | - | - | - | 123,523 |
| 921: Stores Load | - | - | - | 618,264 |
| 922: Minor Material Load | - | - | - | 333,833 |
| 925: E&S Loads | - | - | - | 2,846,564 |
| 926: A&G Loads | - | - | - | 1,185,482 |
| 928: AFUDC Debt | - | - | - | 282,094 |
| 929: AFUDC Equity | - | - | - | 295,084 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (23,284,427) |
| 825: Closing Cost of Removal | - | - | - | (1,655,682) |
| Project Net | - | - | - | 0 |

## Project No: 10001307 Cable Replacement

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,403,242 | - | - | - | 1,403,242 | - | - | - |
| 120: Overtime-General | 292,110 | - | - | - | 292,110 | - | - | - |
| 350: Material Issues-Major | 3,675,927 | - | - | - | 3,675,927 | - | - | - |
| 370: Outside Services | 12,799,609 | - | - | - | 12,799,609 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 4,213 | - | - | - | 4,213 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 522,835 | - | - | - | 522,835 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (24,786) | - | - | - | (24,786) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 127,645 | - | - | - | 127,645 | - | - | - |
| 914: Pension and Benefits | 454,469 | - | - | - | 454,469 | - | - | - |
| 915: Injuries and Damages | 123,523 | - | - | - | 123,523 | - | - | - |
| 921: Stores Load | 618,264 | - | - | - | 618,264 | - | - | - |
| 922: Minor Material Load | 333,833 | - | - | - | 333,833 | - | - | - |
| 925: E&S Loads | 2,846,564 | - | - | - | 2,846,564 | - | - | - |
| 926: A&G Loads | 1,185,482 | - | - | - | 1,185,482 | - | - | - |
| 928: AFUDC Debt | 282,094 | - | - | - | 282,094 | - | - | - |
| 929: AFUDC Equity | 295,084 | - | - | - | 295,084 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (23,284,427) | - | - | - | (23,284,427) | - | - | - |
| 825: Closing Cost of Removal | (1,655,682) | - | - | - | (1,655,682) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 10001307 Cable Replacement

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,403,242 |
| 120: Overtime-General | - | - | - | - | - | - | 292,110 |
| 350: Material Issues-Major | - | - | - | - | - | - | 3,675,927 |
| 370: Outside Services | - | - | - | - | - | - | 12,799,609 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 4,213 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 522,835 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (24,786) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 127,645 |
| 914: Pension and Benefits | - | - | - | - | - | - | 454,469 |
| 915: Injuries and Damages | - | - | - | - | - | - | 123,523 |
| 921: Stores Load | - | - | - | - | - | - | 618,264 |
| 922: Minor Material Load | - | - | - | - | - | - | 333,833 |
| 925: E&S Loads | - | - | - | - | - | - | 2,846,564 |
| 926: A&G Loads | - | - | - | - | - | - | 1,185,482 |
| 928: AFUDC Debt | - | - | - | - | - | - | 282,094 |
| 929: AFUDC Equity | - | - | - | - | - | - | 295,084 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (23,284,427) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (1,655,682) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 10001627 Central OSMOSE Replacements 27-28

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 100 | Albuquerque Electric Services |

**Project Information**

| | |
|---|---|
| Estimated Start Date | 1/1/2027 |
| Estimated Completion Date | 12/31/2028 |

| County % | |
|---|---|
| Valencia | 10% |
| Bernalillo | 10% |
| Sandoval | 40% |
| Santa Fe | 40% |

Description

Replace deteriorated and failed wood distribution poles identified through OSMOSE inspections within PNM's High Fire Areas across the Metro, East Mountains, and Bosque areas. The project will replace applicable untreated poles and aging or underperforming equipment with infrastructure meeting current PNM High Fire Area standards to improve system safety, reliability, and resiliency. Approximately, 50 poles can be replaced for 2027 as most of budget is for engineering and 740 poles can be replaced for 2028.

**Project No:** **10001627 Central OSMOSE Replacements 27-28**

| | |
|---|---|
| Project Need Justification | OSMOSE inspections have identified deteriorated and failed wood distribution poles requiring replacement within PNM's High Fire Areas. Replacing these poles and associated aging equipment is necessary to address identified asset conditions, reduce the risk of equipment failure and related fire risk, and maintain safe and reliable electric service. |

**Project No:** **10001627 Central OSMOSE Replacements 27-28**

| | |
|---|---|
| Project Alternatives | Continue operating the existing poles until failure or defer replacement to a future year. This alternative is not recommended due to the identified deterioration and increased risk of pole failure, particularly within PNM's High Fire Areas. |

## Project No: 10001627 Central OSMOSE Replacements 27-28

| | |
|---|---|
| Project Estimate Approach | Project estimate developed using the identified OSMOSE pole replacement quantities and anticipated construction scope, applying historical unit costs for similar distribution pole replacement work. Estimate includes engineering, materials, construction, and applicable project support costs. |

**Project No:** **10001627 Central OSMOSE Replacements 27-28**

| | |
|---|---|
| Customer Benefit | Improves electric service reliability and public safety by proactively replacing deteriorated poles before failure, reducing the potential for outages and equipment-related fire risk in High Fire Areas. |

## Project No: 10001627 Central OSMOSE Replacements 27-28

| | |
|---|---|
| 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:** **10001627** **Central OSMOSE Replacements 27-28**

General Services

Reliability & Resiliency

Replacement of poles near end of useful life reduce the risk of outages due to failing poles and hardware. Leading to SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) reductions.

Safety & Security

All new poles will be designed and installed to PNM new wildfire standards. This also provides added safety distance for linemen working on these poles. In addition, vegetation management has increased its clearances from vegetation to our facilities.

Technology Advancements

## Project No: 10001627 Central OSMOSE Replacements 27-28

| | 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: 10001627 Central OSMOSE Replacements 27-28

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 88,098 | 88,098 | 88,098 | 88,098 | 88,098 | 88,098 |
| 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 | - | 6,167 | 6,167 | 6,167 | 6,167 | 6,167 | 6,167 |
| 926: A&G Loads | - | 3,304 | 3,304 | 3,304 | 3,304 | 3,304 | 3,304 |
| 928: AFUDC Debt | - | 101 | 303 | 507 | 711 | 917 | 1,124 |
| 929: AFUDC Equity | - | 137 | 410 | 686 | 962 | 1,241 | 1,520 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 97,806 | 98,282 | 98,761 | 99,242 | 99,726 | 100,213 |

**Project No:** **10001627** **Central OSMOSE Replacements 27-28**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 88,098 | 88,098 | 88,098 | 792,882 |
| 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 | 6,167 | 6,167 | 6,167 | 55,502 |
| 926: A&G Loads | 3,304 | 3,304 | 3,304 | 29,733 |
| 928: AFUDC Debt | 1,332 | 1,540 | 1,750 | 8,286 |
| 929: AFUDC Equity | 1,801 | 2,084 | 2,368 | 11,210 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 100,702 | 101,193 | 101,687 | 897,613 |

## Project No: 10001627 Central OSMOSE Replacements 27-28

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 792,882 | 88,098 | 88,098 | 88,098 | 1,057,176 | 294,565 | 294,565 | 294,565 |
| 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 | 55,502 | 6,167 | 6,167 | 6,167 | 74,002 | 20,620 | 20,620 | 20,620 |
| 926: A&G Loads | 29,733 | 3,304 | 3,304 | 3,304 | 39,644 | 10,339 | 10,339 | 10,339 |
| 928: AFUDC Debt | 8,286 | 1,962 | 2,174 | 2,387 | 14,808 | 2,782 | 3,458 | 4,138 |
| 929: AFUDC Equity | 11,210 | 2,654 | 2,941 | 3,229 | 20,033 | 4,389 | 5,455 | 6,528 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 897,613 | 102,184 | 102,683 | 103,185 | 1,205,664 | 332,694 | 334,437 | 336,189 |

## Project No: 10001627 Central OSMOSE Replacements 27-28

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 294,565 | 294,565 | 294,565 | 294,565 | 294,565 | 294,565 | 3,708,261 |
| 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 | 20,620 | 20,620 | 20,620 | 20,620 | 20,620 | 20,620 | 259,578 |
| 926: A&G Loads | 10,339 | 10,339 | 10,339 | 10,339 | 10,339 | 10,339 | 132,697 |
| 928: AFUDC Debt | 4,821 | 4,308 | 3,792 | 3,273 | 2,753 | 2,231 | 46,363 |
| 929: AFUDC Equity | 7,607 | 6,797 | 5,982 | 5,164 | 4,343 | 3,520 | 69,817 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (550,438) | (550,462) | (550,287) | (549,772) | (548,789) | (547,197) | (3,296,945) |
| 825: Closing Cost of Removal | (40,139) | (40,115) | (40,106) | (40,104) | (40,104) | (40,100) | (240,669) |
| Project Net | (252,625) | (253,949) | (255,095) | (255,916) | (256,273) | (256,023) | 679,104 |

## Project No: 10001707 Albuquerque Pure Project

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Bernalillo 100%

Estimated Start Date 12/3/2013

Estimated Completion Date 12/31/2032

Description

Established July 2008, PURE (Plant Unit Replacement Equipment) involves the replacement of Cross arms, Insulators, Arresters, Cutouts, Arrestors, Anchor Assemblies, and Capacitors (cans, switches, racks, any replacement other than fuses). The PURE process was designed to allow for all 5 of the PURE assets to be capitalized under a single blanket work order number. This design was intended to reduce the administrative burden of having to write individual work orders for each job.

**Project No:** **10001707** **Albuquerque Pure Project**

Project Need Justification

Replacing damaged or obsolete equipment in the distribution system ensures that PNM maintains reliable service while reducing hazardous conditions, which improves safety for PNM personnel, customers, and the public. New Mexico Public Regulation Commission (NMPRC) Rule 17.9.560, Service Standards for Electric Utilities Rules, outlines the requirements for following electrical and safety standards (National Electric Safety Code), minimizing interruption of service, and protective safety measures. Work needed for repairing and replacing aging distribution components is identified during routine inspections, line patrols, as well as responding to outages.

**Project No:** **10001707** **Albuquerque Pure Project**

Project Alternatives

1. Do nothing. Damaged and obsolete equipment will be left in place. This will maintain risks to system reliability and hazardous risks to PNM personnel, customers, and the public.

## Project No: 10001707 Albuquerque Pure Project

| | |
|---|---|
| Project Estimate Approach | The project includes costs for internal labor, equipment, materials, transportation, and contractors if they are needed. PNM maintains detailed historical records of equipment replacement activities. These records allow PNM to estimate typical future annual replacement projections and needs. This project estimate is established by analyzing the most recent 12-month actual spend to estimate costs for the forecast period. |

**Project No:** **10001707** **Albuquerque Pure Project**

| | |
|---|---|
| Customer Benefit | Replacing damaged and obsolete equipment increases reliability of PNM's distribution system while also improving safety conditions for PNM personnel, customers, and the public. |

## Project No: 10001707 Albuquerque Pure Project

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10001707** **Albuquerque Pure Project**

| | |
|---|---|
| General Services | |
| Reliability & Resiliency | Replacing damaged or obsolete distribution components reduces the risk of outages and increases overall system reliability. |
| Safety & Security | Replacing damaged or obsolete distribution components reduces PNM personnel, customer, and public exposure to possible hazards and increases the overall safety of the distribution system. |
| Technology Advancements | |

## Project No: 10001707 Albuquerque Pure Project

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,538,042 | - | - | - | - | - | - | 2,538,042 |
| 120: Overtime-General | 2,170,793 | - | - | - | - | - | - | 2,170,793 |
| 350: Material Issues-Major | 2,925,957 | - | - | - | - | - | - | 2,925,957 |
| 370: Outside Services | 26,914,000 | 163,218 | 163,218 | 163,218 | 163,218 | 71,507 | 71,507 | 27,709,888 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 7,587 | - | - | - | - | - | - | 7,587 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,081,502 | - | - | - | - | - | - | 2,081,502 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 360,042 | - | - | - | - | - | - | 360,042 |
| 914: Pension and Benefits | 1,062,488 | - | - | - | - | - | - | 1,062,488 |
| 915: Injuries and Damages | 560,747 | - | - | - | - | - | - | 560,747 |
| 921: Stores Load | 420,851 | - | - | - | - | - | - | 420,851 |
| 922: Minor Material Load | 236,779 | - | - | - | - | - | - | 236,779 |
| 925: E&S Loads | 4,590,479 | 10,609 | 10,609 | 10,609 | 10,609 | 4,648 | 4,648 | 4,642,212 |
| 926: A&G Loads | 2,079,839 | 8,487 | 8,487 | 8,487 | 8,487 | 3,718 | 3,718 | 2,121,225 |
| 928: AFUDC Debt | 72,199 | - | - | - | - | - | - | 72,199 |
| 929: AFUDC Equity | 175,225 | - | - | - | - | - | - | 175,225 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (41,560,572) | (633,569) | - | - | (508,659) | - | (148,565) | (42,851,364) |
| 825: Closing Cost of Removal | (4,129,784) | (54,920) | - | - | (38,286) | - | (11,182) | (4,234,172) |
| Project Net | 506,174 | (506,174) | 182,315 | 182,315 | (364,630) | 79,874 | (79,874) | - |

## Project No: 10001707 Albuquerque Pure Project

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,538,042 | - | - | - | - | - | - |
| 120: Overtime-General | 2,170,793 | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,925,957 | - | - | - | - | - | - |
| 370: Outside Services | 27,709,888 | 168,115 | 168,115 | 168,115 | 168,115 | 168,115 | 168,115 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 7,587 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,081,502 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 360,042 | - | - | - | - | - | - |
| 914: Pension and Benefits | 1,062,488 | - | - | - | - | - | - |
| 915: Injuries and Damages | 560,747 | - | - | - | - | - | - |
| 921: Stores Load | 420,851 | - | - | - | - | - | - |
| 922: Minor Material Load | 236,779 | - | - | - | - | - | - |
| 925: E&S Loads | 4,642,212 | 11,768 | 11,768 | 11,768 | 11,768 | 11,768 | 11,768 |
| 926: A&G Loads | 2,121,225 | 6,304 | 6,304 | 6,304 | 6,304 | 6,304 | 6,304 |
| 928: AFUDC Debt | 72,199 | - | - | - | - | - | - |
| 929: AFUDC Equity | 175,225 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (42,851,364) | - | - | - | (692,617) | - | - |
| 825: Closing Cost of Removal | (4,234,172) | - | - | - | (52,132) | - | - |
| Project Net | - | 186,187 | 186,187 | 186,187 | (558,562) | 186,187 | 186,187 |

**Project No:** **10001707** **Albuquerque Pure Project**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 2,538,042 |
| 120: Overtime-General | - | - | - | 2,170,793 |
| 350: Material Issues-Major | - | - | - | 2,925,957 |
| 370: Outside Services | 168,115 | 168,115 | 168,115 | 29,222,923 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 7,587 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 2,081,502 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 360,042 |
| 914: Pension and Benefits | - | - | - | 1,062,488 |
| 915: Injuries and Damages | - | - | - | 560,747 |
| 921: Stores Load | - | - | - | 420,851 |
| 922: Minor Material Load | - | - | - | 236,779 |
| 925: E&S Loads | 11,768 | 11,768 | 11,768 | 4,748,124 |
| 926: A&G Loads | 6,304 | 6,304 | 6,304 | 2,177,964 |
| 928: AFUDC Debt | - | - | - | 72,199 |
| 929: AFUDC Equity | - | - | - | 175,225 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (519,463) | - | - | (44,063,444) |
| 825: Closing Cost of Removal | (39,099) | - | - | (4,325,404) |
| Project Net | (372,375) | 186,187 | 186,187 | 372,375 |

## Project No: 10001707 Albuquerque Pure Project

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,538,042 | - | - | - | 2,538,042 | - | - | - |
| 120: Overtime-General | 2,170,793 | - | - | - | 2,170,793 | - | - | - |
| 350: Material Issues-Major | 2,925,957 | - | - | - | 2,925,957 | - | - | - |
| 370: Outside Services | 29,222,923 | 168,115 | 168,115 | 168,115 | 29,727,268 | 173,158 | 173,158 | 173,158 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 7,587 | - | - | - | 7,587 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,081,502 | - | - | - | 2,081,502 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 360,042 | - | - | - | 360,042 | - | - | - |
| 914: Pension and Benefits | 1,062,488 | - | - | - | 1,062,488 | - | - | - |
| 915: Injuries and Damages | 560,747 | - | - | - | 560,747 | - | - | - |
| 921: Stores Load | 420,851 | - | - | - | 420,851 | - | - | - |
| 922: Minor Material Load | 236,779 | - | - | - | 236,779 | - | - | - |
| 925: E&S Loads | 4,748,124 | 11,768 | 11,768 | 11,768 | 4,783,428 | 12,121 | 12,121 | 12,121 |
| 926: A&G Loads | 2,177,964 | 6,304 | 6,304 | 6,304 | 2,196,877 | 6,078 | 6,078 | 6,078 |
| 928: AFUDC Debt | 72,199 | - | - | - | 72,199 | - | - | - |
| 929: AFUDC Equity | 175,225 | - | - | - | 175,225 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (44,063,444) | (519,463) | - | (346,308) | (44,929,215) | - | - | - |
| 825: Closing Cost of Removal | (4,325,404) | (39,099) | - | (26,066) | (4,390,570) | - | - | - |
| Project Net | 372,375 | (372,375) | 186,187 | (186,187) | - | 191,357 | 191,357 | 191,357 |

## Project No: 10001707 Albuquerque Pure Project

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,538,042 |
| 120: Overtime-General | - | - | - | - | - | - | 2,170,793 |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,925,957 |
| 370: Outside Services | 173,158 | 173,158 | 173,158 | 173,158 | 173,158 | 173,158 | 31,285,690 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 7,587 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 2,081,502 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 360,042 |
| 914: Pension and Benefits | - | - | - | - | - | - | 1,062,488 |
| 915: Injuries and Damages | - | - | - | - | - | - | 560,747 |
| 921: Stores Load | - | - | - | - | - | - | 420,851 |
| 922: Minor Material Load | - | - | - | - | - | - | 236,779 |
| 925: E&S Loads | 12,121 | 12,121 | 12,121 | 12,121 | 12,121 | 12,121 | 4,892,518 |
| 926: A&G Loads | 6,078 | 6,078 | 6,078 | 6,078 | 6,078 | 6,078 | 2,251,578 |
| 928: AFUDC Debt | - | - | - | - | - | - | 72,199 |
| 929: AFUDC Equity | - | - | - | - | - | - | 175,225 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (711,848) | - | - | (533,886) | - | - | (46,174,949) |
| 825: Closing Cost of Removal | (53,580) | - | - | (40,185) | - | - | (4,484,334) |
| Project Net | (574,071) | 191,357 | 191,357 | (382,714) | 191,357 | 191,357 | 382,714 |

## Project No: 10001826 San Pedro Widening

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2028

Description

This work is associated with the City of Albuquerque's planned San Pedro Drive Widening and Improvements Project. Currently, PNM has a 12.47 kv three phase overhead powerline running north-south along the west side of San Pedro Drive between Carmel and Alameda. This overhead power line is occupying city right of way and will be in conflict with the proposed road widening and sidewalk installation. As a result, this overhead power line must be relocated further to the west along San Pedro and out of the way of the proposed new roadway and sidewalk construction.

**Project No:** **10001826** **San Pedro Widening**

Project Need Justification

If PNM's overhead power line is not relocated outside of the proposed road improvements project, then, it will be in the new traffic lane and PNM will be in violation with the City of Albuquerque's Americans with Disability Act (ADA) as well as in violation with the current franchise agreement between the City of Albuquerque and PNM. This may jeopardize this agreement.

**Project No:** **10001826** **San Pedro Widening**

| | |
|---|---|
| Project Alternatives | There is no alternative for relocating this overhead power line. PNM is obligated to relocate the overhead power line to ensure compliance with the ADA and franchise agreement with the City of Albuquerque. |

**Project No:** **10001826** **San Pedro Widening**

Project Estimate Approach

This project estimate was derived by assessing the City of Albuquerque Project design drawings. This assessment included determining what distribution facilities (poles, conductor, overhead, and underground equipment) would be in conflict with the road and sidewalk improvements project and what was required to relocate them out conflict. Once this assessment was completed, a detailed design and cost estimate were prepared using all the prescribed PNM design and estimating tools which include its labor data base units, historic contractor unit costs, and current PNM material costs. This information was entered into PNM's estimating program (Maximo) which generated the project's total cost estimate.

**Project No:** **10001826** **San Pedro Widening**

Customer Benefit

There are no customer benefits associated with this work. This work is required to comply with the City of Albuquerque's and PNM's franchise agreement.

| **Project No:** | **10001826** | **San Pedro Widening** |
|---|---|---|
| Primary Value Driver | Compliance | |
| Compliance | Investments designed to ensure compliance with the City of Albuquerque's and PNM's franchise agreement. | |
| Customer Delivery | | |
| Energy Transition | | |

**Project No:** **10001826** **San Pedro Widening**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10001826 San Pedro Widening

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 85,000 | 85,000 | 35,000 | - | - | - | 205,000 |
| 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 | - | 5,525 | 5,525 | 2,275 | - | - | - | 13,325 |
| 926: A&G Loads | - | 4,420 | 4,420 | 1,820 | - | - | - | 10,660 |
| 928: AFUDC Debt | - | 109 | 327 | 483 | - | - | - | 919 |
| 929: AFUDC Equity | - | 116 | 349 | 514 | - | - | - | 979 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (214,854) | - | - | - | (214,854) |
| 825: Closing Cost of Removal | - | - | - | (16,029) | - | - | - | (16,029) |
| Project Net | - | 95,170 | 95,621 | (190,791) | - | - | - | - |

## Project No: 10001826 San Pedro Widening

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 205,000 | - | - | - | - | - | - |
| 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 | 13,325 | - | - | - | - | - | - |
| 926: A&G Loads | 10,660 | - | - | - | - | - | - |
| 928: AFUDC Debt | 919 | - | - | - | - | - | - |
| 929: AFUDC Equity | 979 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (214,854) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (16,029) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 10001826 San Pedro Widening

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 205,000 |
| 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 | - | - | - | 13,325 |
| 926: A&G Loads | - | - | - | 10,660 |
| 928: AFUDC Debt | - | - | - | 919 |
| 929: AFUDC Equity | - | - | - | 979 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (214,854) |
| 825: Closing Cost of Removal | - | - | - | (16,029) |
| Project Net | - | - | - | - |

## Project No: 10001826 San Pedro Widening

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 205,000 | - | - | - | 205,000 | - | - | - |
| 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 | 13,325 | - | - | - | 13,325 | - | - | - |
| 926: A&G Loads | 10,660 | - | - | - | 10,660 | - | - | - |
| 928: AFUDC Debt | 919 | - | - | - | 919 | - | - | - |
| 929: AFUDC Equity | 979 | - | - | - | 979 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (214,854) | - | - | - | (214,854) | - | - | - |
| 825: Closing Cost of Removal | (16,029) | - | - | - | (16,029) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 10001826 San Pedro Widening

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 205,000 |
| 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 | - | - | - | - | - | - | 13,325 |
| 926: A&G Loads | - | - | - | - | - | - | 10,660 |
| 928: AFUDC Debt | - | - | - | - | - | - | 919 |
| 929: AFUDC Equity | - | - | - | - | - | - | 979 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (214,854) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (16,029) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 10001922 Overlook Distribution Rebuild

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Santa Fe 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2027

Description

The Overlook Distribution project is a capital investment into improving the overall system reliability of the existing radial fed customer subdivision by converting to a loop fed underground distribution system. The objective of this project is to improve the system reliability of PNM's infrastructure by replacing the problematic distribution radial serving the Overlook community. The existing configuration of this underground radial results in extended outages for our customers and higher System Average Interruption Duration Index (SAIDI) minutes if a fault occurs or if a transformer fails.

## Project No: 10001922 Overlook Distribution Rebuild

Project Need Justification

The Overlook customers downstream of a fault or transformer failure will remain without power until it has been repaired or replaced. The Overlook Distribution rebuild project will consist of the design and installation of necessary facilities for the purpose of looping existing underground distribution radial in the residential subdivision. This will provide a redundant feed to this area, and should a cable fault or transformer failure occur, the restoration time and SAIDI minutes will decrease.

**Project No:** **10001922** **Overlook Distribution Rebuild**

Project Alternatives

Alternative 1) is to do nothing. However, the existing configuration of this underground radial results in extended outages for our customers and higher SAIDI minutes if a fault occurs or if a transformer fails.
Alternative 2) is to replace the radial, however this is not a viable option because even with new infrastructure, there is an inherent risk to having extended outage times if any of the new infrastructure is damaged or compromised. It is not a sound option to pick and choose what radials get replaced knowing that if an outage does occur customers will be without power until the fault gets replaced, the termination is replaced, or if a temporary above ground line is installed to restore power until engineering can design a solution.

**Project No:** **10001922** **Overlook Distribution Rebuild**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. |

**Project No:** **10001922** **Overlook Distribution Rebuild**

| | |
|---|---|
| Customer Benefit | Performing this work increases reliability by reducing outages and restoration times for those in the Overlook community. |

## Project No: 10001922 Overlook Distribution 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 | This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. It also decreases the chance of outages for customers, and minimizes outage time when faults occur because of the direct buried cable being replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **10001922** **Overlook Distribution Rebuild**

General Services

Reliability & Resiliency

This project will improve the overall system reliability of the existing radial fed Overlook customer subdivision by converting to a loop fed underground distribution system, increasing reliability and reducing outages and restoration times.

Safety & Security

This project creates a safer working space for linemen, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 10001922 Overlook Distribution Rebuild

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 10,241 | - | - | - | - | - | - | 10,241 |
| 120: Overtime-General | 481 | - | - | - | - | - | - | 481 |
| 350: Material Issues-Major | 343,520 | 500,000 | - | - | - | - | - | 843,520 |
| 370: Outside Services | 1,333,861 | 252,018 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 3,085,879 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 7,009 | - | - | - | - | - | - | 7,009 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 857 | - | - | - | - | - | - | 857 |
| 914: Pension and Benefits | 2,356 | - | - | - | - | - | - | 2,356 |
| 915: Injuries and Damages | 1,590 | - | - | - | - | - | - | 1,590 |
| 921: Stores Load | 6,526 | 113,940 | - | - | - | - | - | 120,466 |
| 922: Minor Material Load | 514 | - | - | - | - | - | - | 514 |
| 925: E&S Loads | 186,924 | 48,881 | 19,500 | 19,500 | 19,500 | 19,500 | 19,500 | 333,305 |
| 926: A&G Loads | 63,837 | 39,105 | 15,600 | 15,600 | 15,600 | 15,600 | 15,600 | 180,942 |
| 928: AFUDC Debt | 179,400 | 5,711 | 7,218 | 8,024 | 8,833 | 9,647 | 10,465 | 229,298 |
| 929: AFUDC Equity | 155,288 | 6,086 | 7,693 | 8,551 | 9,414 | 10,281 | 11,153 | 208,467 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 2,292,405 | 965,741 | 350,011 | 351,675 | 353,348 | 355,029 | 356,718 | 5,024,927 |

## Project No: 10001922 Overlook Distribution Rebuild

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 10,241 | - | - | - | - | - | - |
| 120: Overtime-General | 481 | - | - | - | - | - | - |
| 350: Material Issues-Major | 843,520 | - | - | - | - | 391,684 | - |
| 370: Outside Services | 3,085,879 | 65,281 | 65,281 | 65,281 | 65,281 | 65,281 | 822,798 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 7,009 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 857 | - | - | - | - | - | - |
| 914: Pension and Benefits | 2,356 | - | - | - | - | - | - |
| 915: Injuries and Damages | 1,590 | - | - | - | - | - | - |
| 921: Stores Load | 120,466 | - | - | - | - | 65,678 | - |
| 922: Minor Material Load | 514 | - | - | - | - | - | - |
| 925: E&S Loads | 333,305 | 4,570 | 4,570 | 4,570 | 4,570 | 31,988 | 57,596 |
| 926: A&G Loads | 180,942 | 2,448 | 2,448 | 2,448 | 2,448 | 17,136 | 30,855 |
| 928: AFUDC Debt | 229,298 | 9,911 | 10,112 | 10,315 | 10,518 | 11,240 | 12,833 |
| 929: AFUDC Equity | 208,467 | 13,407 | 13,680 | 13,954 | 14,230 | 15,206 | 17,361 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 5,024,927 | 95,617 | 96,091 | 96,567 | 97,046 | 598,212 | 941,443 |

## Project No: 10001922 Overlook Distribution Rebuild

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 10,241 |
| 120: Overtime-General | - | - | - | 481 |
| 350: Material Issues-Major | - | - | - | 1,235,204 |
| 370: Outside Services | 848,649 | 848,649 | 848,649 | 6,781,029 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 7,009 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 857 |
| 914: Pension and Benefits | - | - | - | 2,356 |
| 915: Injuries and Damages | - | - | - | 1,590 |
| 921: Stores Load | - | - | - | 186,144 |
| 922: Minor Material Load | - | - | - | 514 |
| 925: E&S Loads | 59,405 | 59,405 | 59,405 | 619,384 |
| 926: A&G Loads | 31,824 | 31,824 | 31,824 | 334,198 |
| 928: AFUDC Debt | 14,816 | 16,838 | 18,871 | 344,752 |
| 929: AFUDC Equity | 20,043 | 22,779 | 25,530 | 364,657 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 974,738 | 979,496 | 984,280 | 9,888,417 |

## Project No: 10001922 Overlook Distribution Rebuild

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 10,241 | - | - | - | 10,241 | - | - | - |
| 120: Overtime-General | 481 | - | - | - | 481 | - | - | - |
| 350: Material Issues-Major | 1,235,204 | - | - | - | 1,235,204 | - | - | - |
| 370: Outside Services | 6,781,029 | 848,649 | 65,281 | 65,281 | 7,760,240 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 7,009 | - | - | - | 7,009 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 857 | - | - | - | 857 | - | - | - |
| 914: Pension and Benefits | 2,356 | - | - | - | 2,356 | - | - | - |
| 915: Injuries and Damages | 1,590 | - | - | - | 1,590 | - | - | - |
| 921: Stores Load | 186,144 | - | - | - | 186,144 | - | - | - |
| 922: Minor Material Load | 514 | - | - | - | 514 | - | - | - |
| 925: E&S Loads | 619,384 | 59,405 | 4,570 | 4,570 | 687,929 | - | - | - |
| 926: A&G Loads | 334,198 | 31,824 | 2,448 | 2,448 | 370,919 | - | - | - |
| 928: AFUDC Debt | 344,752 | 20,915 | 22,072 | 22,337 | 410,076 | - | - | - |
| 929: AFUDC Equity | 364,657 | 28,295 | 29,860 | 30,219 | 453,031 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (10,124,531) | (10,124,531) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (1,002,060) | (1,002,060) | - | - | - |
| Project Net | 9,888,417 | 989,089 | 124,231 | (11,001,736) | - | - | - | - |

## Project No: 10001922 Overlook Distribution Rebuild

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 10,241 |
| 120: Overtime-General | - | - | - | - | - | - | 481 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,235,204 |
| 370: Outside Services | - | - | - | - | - | - | 7,760,240 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 7,009 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 857 |
| 914: Pension and Benefits | - | - | - | - | - | - | 2,356 |
| 915: Injuries and Damages | - | - | - | - | - | - | 1,590 |
| 921: Stores Load | - | - | - | - | - | - | 186,144 |
| 922: Minor Material Load | - | - | - | - | - | - | 514 |
| 925: E&S Loads | - | - | - | - | - | - | 687,929 |
| 926: A&G Loads | - | - | - | - | - | - | 370,919 |
| 928: AFUDC Debt | - | - | - | - | - | - | 410,076 |
| 929: AFUDC Equity | - | - | - | - | - | - | 453,031 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (10,124,531) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (1,002,060) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 10002125 Lightning Mitigation 2025-2026

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

Install lightning mitigation improvements on distribution feeders. The project includes field inspection, engineering design, and construction of approximately 340 lightning arresters, along with system grounds, reclosers, cutouts, and associated distribution equipment.

## Project No: 10002125 Lightning Mitigation 2025-2026

| | |
|---|---|
| Project Need Justification | Lightning strikes have resulted in outages and damage to distribution equipment and conductor. The project is needed to provide improved grounding and overvoltage protection, reducing exposure of system assets to lightning-related damage and premature failure. |

## Project No: 10002125 Lightning Mitigation 2025-2026

Project Alternatives

Continue operating the existing system without additional lightning mitigation and address equipment damage as failures occur. This alternative is not recommended because it would result in continued lightning-related outages, equipment damage, and premature failure of utility assets.

**Project No:** **10002125** **Lightning Mitigation 2025-2026**

| | |
|---|---|
| Project Estimate Approach | Project estimate was developed based on historical costs to install lightning arresters on previous line extensions and feeder projects. |

## Project No: 10002125 Lightning Mitigation 2025-2026

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when lightning strikes because it allows for added protection to allow the lightning to clear. |

## Project No: 10002125 Lightning Mitigation 2025-2026

| | |
|---|---|
| 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: 10002125 Lightning Mitigation 2025-2026

General Services

Reliability & Resiliency

Increased lightning protection on these lines reduce SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) impacts due to lightning related outages

Safety & Security

Technology Advancements

## Project No: 10002125 Lightning Mitigation 2025-2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 604 | - | - | - | - | - | - | 604 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | 15,428 | - | - | - | - | 15,428 |
| 370: Outside Services | 84,066 | 30,497 | 116,425 | 143,054 | 123,001 | 9,282 | 1,000 | 507,325 |
| 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 | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 47 | - | - | - | - | - | - | 47 |
| 914: Pension and Benefits | 107 | - | - | - | - | - | - | 107 |
| 915: Injuries and Damages | 121 | - | - | - | - | - | - | 121 |
| 921: Stores Load | 236 | - | 3,516 | - | - | - | - | 3,752 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 5,891 | 1,982 | 8,570 | 9,299 | 7,995 | 603 | 65 | 34,406 |
| 926: A&G Loads | 4,843 | 1,586 | 6,856 | 7,439 | 6,396 | 483 | 52 | 27,655 |
| 928: AFUDC Debt | 1,476 | 257 | 470 | 829 | 1,174 | 1,350 | 1,370 | 6,925 |
| 929: AFUDC Equity | 1,156 | 274 | 501 | 884 | 1,251 | 1,438 | 1,460 | 6,964 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (558,633) | (558,633) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (44,699) | (44,699) |
| Project Net | 98,545 | 34,596 | 151,767 | 161,504 | 139,818 | 13,156 | (599,386) | - |

## Project No: 10002125 Lightning Mitigation 2025-2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 604 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 15,428 | - | - | - | - | - | - |
| 370: Outside Services | 507,325 | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 47 | - | - | - | - | - | - |
| 914: Pension and Benefits | 107 | - | - | - | - | - | - |
| 915: Injuries and Damages | 121 | - | - | - | - | - | - |
| 921: Stores Load | 3,752 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 34,406 | - | - | - | - | - | - |
| 926: A&G Loads | 27,655 | - | - | - | - | - | - |
| 928: AFUDC Debt | 6,925 | - | - | - | - | - | - |
| 929: AFUDC Equity | 6,964 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (558,633) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (44,699) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 10002125 Lightning Mitigation 2025-2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 604 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 15,428 |
| 370: Outside Services | - | - | - | 507,325 |
| 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 | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 47 |
| 914: Pension and Benefits | - | - | - | 107 |
| 915: Injuries and Damages | - | - | - | 121 |
| 921: Stores Load | - | - | - | 3,752 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 34,406 |
| 926: A&G Loads | - | - | - | 27,655 |
| 928: AFUDC Debt | - | - | - | 6,925 |
| 929: AFUDC Equity | - | - | - | 6,964 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (558,633) |
| 825: Closing Cost of Removal | - | - | - | (44,699) |
| Project Net | - | - | - | - |

## Project No: 10002125 Lightning Mitigation 2025-2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 604 | - | - | - | 604 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 15,428 | - | - | - | 15,428 | - | - | - |
| 370: Outside Services | 507,325 | - | - | - | 507,325 | - | - | - |
| 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 | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 47 | - | - | - | 47 | - | - | - |
| 914: Pension and Benefits | 107 | - | - | - | 107 | - | - | - |
| 915: Injuries and Damages | 121 | - | - | - | 121 | - | - | - |
| 921: Stores Load | 3,752 | - | - | - | 3,752 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 34,406 | - | - | - | 34,406 | - | - | - |
| 926: A&G Loads | 27,655 | - | - | - | 27,655 | - | - | - |
| 928: AFUDC Debt | 6,925 | - | - | - | 6,925 | - | - | - |
| 929: AFUDC Equity | 6,964 | - | - | - | 6,964 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (558,633) | - | - | - | (558,633) | - | - | - |
| 825: Closing Cost of Removal | (44,699) | - | - | - | (44,699) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 10002125 Lightning Mitigation 2025-2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 604 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 15,428 |
| 370: Outside Services | - | - | - | - | - | - | 507,325 |
| 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 | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 47 |
| 914: Pension and Benefits | - | - | - | - | - | - | 107 |
| 915: Injuries and Damages | - | - | - | - | - | - | 121 |
| 921: Stores Load | - | - | - | - | - | - | 3,752 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 34,406 |
| 926: A&G Loads | - | - | - | - | - | - | 27,655 |
| 928: AFUDC Debt | - | - | - | - | - | - | 6,925 |
| 929: AFUDC Equity | - | - | - | - | - | - | 6,964 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (558,633) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (44,699) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 10002316 Bird Guard Reliability

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 100 | Albuquerque Electric Services |

**Project Information**

| | |
|---|---|
| Estimated Start Date | 12/18/2015 |
| Estimated Completion Date | 12/31/2032 |

| County % | | |
|---|---|---|
| | Bernalillo | 95% |
| | Sandoval | 2% |
| | Valencia | 3% |

Description

This project involves installing protective covers on overhead distribution equipment to prevent birds and other wildlife from coming in direct contact with energized infrastructure. Bird or other wildlife contact with energized infrastructure often causes electrical outages and can be fatal to the animal.

## Project No: 10002316 Bird Guard Reliability

Project Need Justification

Avian and other wildlife contact with electrical distribution infrastructure is a leading cause of outages annually across PNM's system. This project will help increase PNM's reliability by hardening equipment to reduce the chances of wildlife-caused outages, while simultaneously providing environmental benefit of protecting wildlife. Protective covers for energized equipment is an economical means of preventing electrical contact of birds and other animals that leads to outages, especially in retrofit applications.

**Project No:** **10002316** **Bird Guard Reliability**

Project Alternatives

1. Do nothing. This will maintain the risk of birds and other wildlife coming in direct contact with energized infrastructure.

The following alternatives are more expensive options. They can also include the need to acquire additional right-of-way easements which can be expensive, time consuming, and/or challenging-to-impossible. These options may still require the need for equipment covers.

2. Change pole construction type
3. Use longer spanning cross arms

## Project No: 10002316 Bird Guard Reliability

| | |
|---|---|
| Project Estimate Approach | The estimate for annual spend on the project was developed by escalating the most recent 12-month spend by 2% annually. Additionally, incremental savings are expected by coordinating the scheduling of installation of bird guards simultaneously with two other projects: PURE (funding project 10001707); and Pole Grounds (funding project 10002516). |

**Project No:** **10002316** **Bird Guard Reliability**

| | |
|---|---|
| Customer Benefit | Bird guard installation increases reliability by reducing outages caused by electrical contact from birds and other wildlife. |

## Project No: 10002316 Bird Guard Reliability

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Installing bird guards reduces the hazard of electrical contact with birds and other wildlife, some of whom may be protected by federal or state environmental regulations. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10002316** **Bird Guard Reliability**

General Services

Reliability & Resiliency

Installing bird guards increases reliability by reducing outages caused by electrical contact from birds and other wildlife.

Safety & Security

Technology Advancements

## Project No: 10002316 Bird Guard Reliability

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 433,299 | - | - | - | - | - | - | 433,299 |
| 120: Overtime-General | 356,126 | - | - | - | - | - | - | 356,126 |
| 350: Material Issues-Major | 519,504 | - | - | - | - | - | - | 519,504 |
| 370: Outside Services | 5,078,474 | 17,831 | 17,831 | 17,831 | 17,831 | 17,831 | 17,831 | 5,185,461 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 306,845 | - | - | - | - | - | - | 306,845 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 61,584 | - | - | - | - | - | - | 61,584 |
| 914: Pension and Benefits | 201,479 | - | - | - | - | - | - | 201,479 |
| 915: Injuries and Damages | 68,060 | - | - | - | - | - | - | 68,060 |
| 921: Stores Load | 56,046 | - | - | - | - | - | - | 56,046 |
| 922: Minor Material Load | 37,782 | - | - | - | - | - | - | 37,782 |
| 925: E&S Loads | 880,820 | 1,159 | 1,159 | 1,159 | 1,159 | 1,159 | 1,159 | 887,775 |
| 926: A&G Loads | 364,755 | 927 | 927 | 927 | 927 | 927 | 927 | 370,319 |
| 928: AFUDC Debt | 14,848 | - | - | - | - | - | - | 14,848 |
| 929: AFUDC Equity | 39,689 | - | - | - | - | - | - | 39,689 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,828,413) | (38,529) | - | - | (55,570) | - | (37,047) | (7,959,558) |
| 825: Closing Cost of Removal | (570,892) | (1,394) | - | - | (4,183) | - | (2,788) | (579,258) |
| Project Net | 20,005 | (20,005) | 19,917 | 19,917 | (39,835) | 19,917 | (19,917) | 0 |

## Project No: 10002316 Bird Guard Reliability

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 433,299 | - | - | - | - | - | - |
| 120: Overtime-General | 356,126 | - | - | - | - | - | - |
| 350: Material Issues-Major | 519,504 | - | - | - | - | - | - |
| 370: Outside Services | 5,185,461 | 17,831 | 17,831 | 17,831 | 17,831 | 17,831 | 17,831 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 306,845 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 61,584 | - | - | - | - | - | - |
| 914: Pension and Benefits | 201,479 | - | - | - | - | - | - |
| 915: Injuries and Damages | 68,060 | - | - | - | - | - | - |
| 921: Stores Load | 56,046 | - | - | - | - | - | - |
| 922: Minor Material Load | 37,782 | - | - | - | - | - | - |
| 925: E&S Loads | 887,775 | 1,248 | 1,248 | 1,248 | 1,248 | 1,248 | 1,248 |
| 926: A&G Loads | 370,319 | 669 | 669 | 669 | 669 | 669 | 669 |
| 928: AFUDC Debt | 14,848 | - | - | - | - | - | - |
| 929: AFUDC Equity | 39,689 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,959,558) | - | - | - | (73,462) | - | - |
| 825: Closing Cost of Removal | (579,258) | - | - | - | (5,529) | - | - |
| Project Net | 0 | 19,748 | 19,748 | 19,748 | (59,243) | 19,748 | 19,748 |

## Project No: 10002316 Bird Guard Reliability

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 433,299 |
| 120: Overtime-General | - | - | - | 356,126 |
| 350: Material Issues-Major | - | - | - | 519,504 |
| 370: Outside Services | 17,831 | 17,831 | 17,831 | 5,345,940 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 306,845 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 61,584 |
| 914: Pension and Benefits | - | - | - | 201,479 |
| 915: Injuries and Damages | - | - | - | 68,060 |
| 921: Stores Load | - | - | - | 56,046 |
| 922: Minor Material Load | - | - | - | 37,782 |
| 925: E&S Loads | 1,248 | 1,248 | 1,248 | 899,008 |
| 926: A&G Loads | 669 | 669 | 669 | 376,337 |
| 928: AFUDC Debt | - | - | - | 14,848 |
| 929: AFUDC Equity | - | - | - | 39,689 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (55,096) | - | - | (8,088,116) |
| 825: Closing Cost of Removal | (4,147) | - | - | (588,934) |
| Project Net | (39,496) | 19,748 | 19,748 | 39,496 |

## Project No: 10002316 Bird Guard Reliability

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 433,299 | - | - | - | 433,299 | - | - | - |
| 120: Overtime-General | 356,126 | - | - | - | 356,126 | - | - | - |
| 350: Material Issues-Major | 519,504 | - | - | - | 519,504 | - | - | - |
| 370: Outside Services | 5,345,940 | 17,831 | 17,831 | 17,831 | 5,399,433 | 17,831 | 17,831 | 17,831 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 306,845 | - | - | - | 306,845 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 61,584 | - | - | - | 61,584 | - | - | - |
| 914: Pension and Benefits | 201,479 | - | - | - | 201,479 | - | - | - |
| 915: Injuries and Damages | 68,060 | - | - | - | 68,060 | - | - | - |
| 921: Stores Load | 56,046 | - | - | - | 56,046 | - | - | - |
| 922: Minor Material Load | 37,782 | - | - | - | 37,782 | - | - | - |
| 925: E&S Loads | 899,008 | 1,248 | 1,248 | 1,248 | 902,753 | 1,248 | 1,248 | 1,248 |
| 926: A&G Loads | 376,337 | 669 | 669 | 669 | 378,343 | 626 | 626 | 626 |
| 928: AFUDC Debt | 14,848 | - | - | - | 14,848 | - | - | - |
| 929: AFUDC Equity | 39,689 | - | - | - | 39,689 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (8,088,116) | (55,096) | - | (36,731) | (8,179,944) | - | - | - |
| 825: Closing Cost of Removal | (588,934) | (4,147) | - | (2,765) | (595,846) | - | - | - |
| Project Net | 39,496 | (39,496) | 19,748 | (19,748) | - | 19,705 | 19,705 | 19,705 |

## Project No: 10002316 Bird Guard Reliability

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 433,299 |
| 120: Overtime-General | - | - | - | - | - | - | 356,126 |
| 350: Material Issues-Major | - | - | - | - | - | - | 519,504 |
| 370: Outside Services | 17,831 | 17,831 | 17,831 | 17,831 | 17,831 | 17,831 | 5,559,912 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 306,845 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 61,584 |
| 914: Pension and Benefits | - | - | - | - | - | - | 201,479 |
| 915: Injuries and Damages | - | - | - | - | - | - | 68,060 |
| 921: Stores Load | - | - | - | - | - | - | 56,046 |
| 922: Minor Material Load | - | - | - | - | - | - | 37,782 |
| 925: E&S Loads | 1,248 | 1,248 | 1,248 | 1,248 | 1,248 | 1,248 | 913,986 |
| 926: A&G Loads | 626 | 626 | 626 | 626 | 626 | 626 | 383,975 |
| 928: AFUDC Debt | - | - | - | - | - | - | 14,848 |
| 929: AFUDC Equity | - | - | - | - | - | - | 39,689 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (73,303) | - | - | (54,977) | - | - | (8,308,223) |
| 825: Closing Cost of Removal | (5,517) | - | - | (4,138) | - | - | (605,501) |
| Project Net | (59,115) | 19,705 | 19,705 | (39,410) | 19,705 | 19,705 | 39,410 |

## Project No: 10002325 4th Street and St Mary's Way

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Bernalillo 100%

Estimated Start Date 9/1/2025

Estimated Completion Date 12/31/2026

Description

This work is associated with the Village of Los Ranchos de Albuquerque's planned 4th Street Widening and Improvements Project. Currently, PNM has 12.47 kv three phase overhead powerlines running north-south along the east and west sides of 4th Street between Ortega road and Saint Mary's Way. These overhead power lines are occupying village right of way and will be in conflict with the proposed road widening and sidewalk installation. As a result, theses overhead powerlines must be relocated further to the east and west along 4th Street and out of the way of the proposed new roadway construction. If these powerlines are not relocated then PNM facilities will be in planned 4th Street Traffic lanes and will violate the Village's ADA (American's with Disability Act) requirement. In addition, PNM will be in violation with its franchise agreement with the Village of Los Ranchos de Albuquerque. The scope of this project will involve the relocation of (14) distribution poles and (1) underground service, along with existing conductor.

## Project No: 10002325 4th Street and St Mary's Way

Project Need Justification

The Village of Los Ranchos de Albuquerque's planned 4th Street widening and sidewalk improvements conflict with existing PNM overhead distribution facilities located within the Village right-of-way. The project is needed to relocate 14 distribution poles, associated conductor, and one underground service outside the proposed roadway and sidewalk improvements. Relocation is necessary to avoid conflicts with future traffic lanes, maintain ADA compliance, and meet PNM's franchise obligations with the Village.

**Project No:** **10002325** **4th Street and St Mary's Way**

| | |
|---|---|
| Project Alternatives | No alternatives are being considered as powerline must be relocated in order to mitigate conflict. |

**Project No:** **10002325** **4th Street and St Mary's Way**

| | |
|---|---|
| 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:** **10002325** **4th Street and St Mary's Way**

Customer Benefit

Relocating the existing PNM facilities will support the Village’s planned roadway and sidewalk improvements, improve accessibility and safety along 4th Street, and minimize utility conflicts with the new infrastructure. In addition, PNM will upgrade facilities and equipment to its current standards as part of the relocation. This will improve reliability and PNM's ability to accommodate future customer needs, including photovoltaic (PV) solar and electric vehicles.

## Project No: 10002325 4th Street and St Mary's Way

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | Village of Los Ranchos is making improvements and PNM facilities are located in public Right of way and need to be relocated, |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10002325** **4th Street and St Mary's Way**

General Services

Reliability & Resiliency

As PNM is relocating facilities, we are upgrading them to our current standards that will improve reliability to that section.

Safety & Security

Technology Advancements

## Project No: 10002325 4th Street and St Mary's Way

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 357 | - | - | - | - | - | - | 357 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 50,655 | - | - | - | - | - | - | 50,655 |
| 370: Outside Services | 314,524 | - | - | - | - | - | - | 314,524 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 0 | - | - | - | - | - | - | 0 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | 28 |
| 914: Pension and Benefits | 58 | - | - | - | - | - | - | 58 |
| 915: Injuries and Damages | 72 | - | - | - | - | - | - | 72 |
| 921: Stores Load | 1,498 | - | - | - | - | - | - | 1,498 |
| 922: Minor Material Load | 2,602 | - | - | - | - | - | - | 2,602 |
| 925: E&S Loads | 30,480 | - | - | - | - | - | - | 30,480 |
| 926: A&G Loads | 19,729 | - | - | - | - | - | - | 19,729 |
| 928: AFUDC Debt | 7,756 | 1,070 | - | - | - | - | - | 8,826 |
| 929: AFUDC Equity | 6,029 | 1,140 | - | - | - | - | - | 7,169 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (435,997) | - | - | - | - | - | (435,997) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 433,787 | (433,787) | - | - | - | - | - | 0 |

## Project No: 10002325 4th Street and St Mary's Way

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 357 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 50,655 | - | - | - | - | - | - |
| 370: Outside Services | 314,524 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 0 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| 914: Pension and Benefits | 58 | - | - | - | - | - | - |
| 915: Injuries and Damages | 72 | - | - | - | - | - | - |
| 921: Stores Load | 1,498 | - | - | - | - | - | - |
| 922: Minor Material Load | 2,602 | - | - | - | - | - | - |
| 925: E&S Loads | 30,480 | - | - | - | - | - | - |
| 926: A&G Loads | 19,729 | - | - | - | - | - | - |
| 928: AFUDC Debt | 8,826 | - | - | - | - | - | - |
| 929: AFUDC Equity | 7,169 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (435,997) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 10002325 4th Street and St Mary's Way

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 357 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 50,655 |
| 370: Outside Services | - | - | - | 314,524 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 0 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 |
| 914: Pension and Benefits | - | - | - | 58 |
| 915: Injuries and Damages | - | - | - | 72 |
| 921: Stores Load | - | - | - | 1,498 |
| 922: Minor Material Load | - | - | - | 2,602 |
| 925: E&S Loads | - | - | - | 30,480 |
| 926: A&G Loads | - | - | - | 19,729 |
| 928: AFUDC Debt | - | - | - | 8,826 |
| 929: AFUDC Equity | - | - | - | 7,169 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (435,997) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | 0 |

## Project No: 10002325 4th Street and St Mary's Way

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 357 | - | - | - | 357 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 50,655 | - | - | - | 50,655 | - | - | - |
| 370: Outside Services | 314,524 | - | - | - | 314,524 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 0 | - | - | - | 0 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | - | - | - | 28 | - | - | - |
| 914: Pension and Benefits | 58 | - | - | - | 58 | - | - | - |
| 915: Injuries and Damages | 72 | - | - | - | 72 | - | - | - |
| 921: Stores Load | 1,498 | - | - | - | 1,498 | - | - | - |
| 922: Minor Material Load | 2,602 | - | - | - | 2,602 | - | - | - |
| 925: E&S Loads | 30,480 | - | - | - | 30,480 | - | - | - |
| 926: A&G Loads | 19,729 | - | - | - | 19,729 | - | - | - |
| 928: AFUDC Debt | 8,826 | - | - | - | 8,826 | - | - | - |
| 929: AFUDC Equity | 7,169 | - | - | - | 7,169 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (435,997) | - | - | - | (435,997) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 10002325 4th Street and St Mary's Way

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 357 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 50,655 |
| 370: Outside Services | - | - | - | - | - | - | 314,524 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 0 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 |
| 914: Pension and Benefits | - | - | - | - | - | - | 58 |
| 915: Injuries and Damages | - | - | - | - | - | - | 72 |
| 921: Stores Load | - | - | - | - | - | - | 1,498 |
| 922: Minor Material Load | - | - | - | - | - | - | 2,602 |
| 925: E&S Loads | - | - | - | - | - | - | 30,480 |
| 926: A&G Loads | - | - | - | - | - | - | 19,729 |
| 928: AFUDC Debt | - | - | - | - | - | - | 8,826 |
| 929: AFUDC Equity | - | - | - | - | - | - | 7,169 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (435,997) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 10002326 Angel Rd - CRP 23-24

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Sandoval 100%

Estimated Start Date 8/1/2025

Estimated Completion Date 12/31/2026

Description

The objective of this project is to improve the system reliability and resiliency of PNM's infrastructure by being proactive in the identification, design and replacement of problematic single phase, three phase, and secondary cable in the underground distribution system. Existing underground distribution cables will be evaluated based on faults, age of cables, and field testing results to determine which cables to replace. PNM will also evaluate the existing cable configurations and install to approved design standards. Cable replacement will improve safety for switching and line crew safety while improving reliability and resiliency for customers. Installation of cables in conduits will add protection to the cable and permit quicker repair/replacement should a fault occur in the future. This also involved splitting the existing loop as it exceeded the criteria our 1-phase underground standard for looped designs.

## Project No: 10002326 Angel Rd - CRP 23-24

Project Need Justification

This project will replace underground cable that has multiple splices and/or is approaching the end of its useful life. Cable sections are prioritized by number of outages experienced by customers. Existing direct buried cable will be abandoned in place to reduce construction cost. New cable will be installed in conduit to extend the life of the cable and to help facilitate future replacement of the cable if a fault occurs.

## Project No: 10002326 Angel Rd - CRP 23-24

Project Alternatives

An alternative to this project is to do nothing and repair underground cable faults reactively. This alternative was not considered as this would mean longer outages for customers while the cable fault location is found and a greater chance for a call back as the cable may fault in another location further down/up stream.

## Project No: **10002326** **Angel Rd - CRP 23-24**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on 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 are utilized and based on current industry standards. |

## Project No: 10002326 Angel Rd - CRP 23-24

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |

## Project No: **10002326 Angel Rd - CRP 23-24**

| | |
|---|---|
| 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 newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **10002326** **Angel Rd - CRP 23-24**

General Services

Reliability & Resiliency

Customers benefit through reduced outage durations, which come from more reliable and accessible equipment.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 10002326 Angel Rd - CRP 23-24

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,085 | - | - | - | - | - | - | 1,085 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 166,342 | - | - | - | - | - | - | 166,342 |
| 370: Outside Services | 956,924 | - | - | - | - | - | - | 956,924 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 456 | - | - | - | - | - | - | 456 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 82 | - | - | - | - | - | - | 82 |
| 914: Pension and Benefits | 227 | - | - | - | - | - | - | 227 |
| 915: Injuries and Damages | 130 | - | - | - | - | - | - | 130 |
| 921: Stores Load | 3,847 | - | - | - | - | - | - | 3,847 |
| 922: Minor Material Load | 214 | - | - | - | - | - | - | 214 |
| 925: E&S Loads | 66,549 | - | - | - | - | - | - | 66,549 |
| 926: A&G Loads | 53,020 | - | - | - | - | - | - | 53,020 |
| 928: AFUDC Debt | 6,718 | - | - | - | - | - | - | 6,718 |
| 929: AFUDC Equity | 4,706 | - | - | - | - | - | - | 4,706 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,152,047) | - | - | - | - | - | - | (1,152,047) |
| 825: Closing Cost of Removal | - | (7,573) | (25,267) | (75,413) | - | - | - | (108,253) |
| Project Net | 108,253 | (7,573) | (25,267) | (75,413) | - | - | - | (0) |

## Project No: 10002326 Angel Rd - CRP 23-24

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,085 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 166,342 | - | - | - | - | - | - |
| 370: Outside Services | 956,924 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 456 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 82 | - | - | - | - | - | - |
| 914: Pension and Benefits | 227 | - | - | - | - | - | - |
| 915: Injuries and Damages | 130 | - | - | - | - | - | - |
| 921: Stores Load | 3,847 | - | - | - | - | - | - |
| 922: Minor Material Load | 214 | - | - | - | - | - | - |
| 925: E&S Loads | 66,549 | - | - | - | - | - | - |
| 926: A&G Loads | 53,020 | - | - | - | - | - | - |
| 928: AFUDC Debt | 6,718 | - | - | - | - | - | - |
| 929: AFUDC Equity | 4,706 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,152,047) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (108,253) | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 10002326 Angel Rd - CRP 23-24

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,085 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 166,342 |
| 370: Outside Services | - | - | - | 956,924 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 456 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 82 |
| 914: Pension and Benefits | - | - | - | 227 |
| 915: Injuries and Damages | - | - | - | 130 |
| 921: Stores Load | - | - | - | 3,847 |
| 922: Minor Material Load | - | - | - | 214 |
| 925: E&S Loads | - | - | - | 66,549 |
| 926: A&G Loads | - | - | - | 53,020 |
| 928: AFUDC Debt | - | - | - | 6,718 |
| 929: AFUDC Equity | - | - | - | 4,706 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,152,047) |
| 825: Closing Cost of Removal | - | - | - | (108,253) |
| Project Net | - | - | - | (0) |

## Project No: 10002326 Angel Rd - CRP 23-24

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,085 | - | - | - | 1,085 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 166,342 | - | - | - | 166,342 | - | - | - |
| 370: Outside Services | 956,924 | - | - | - | 956,924 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 456 | - | - | - | 456 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 82 | - | - | - | 82 | - | - | - |
| 914: Pension and Benefits | 227 | - | - | - | 227 | - | - | - |
| 915: Injuries and Damages | 130 | - | - | - | 130 | - | - | - |
| 921: Stores Load | 3,847 | - | - | - | 3,847 | - | - | - |
| 922: Minor Material Load | 214 | - | - | - | 214 | - | - | - |
| 925: E&S Loads | 66,549 | - | - | - | 66,549 | - | - | - |
| 926: A&G Loads | 53,020 | - | - | - | 53,020 | - | - | - |
| 928: AFUDC Debt | 6,718 | - | - | - | 6,718 | - | - | - |
| 929: AFUDC Equity | 4,706 | - | - | - | 4,706 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,152,047) | - | - | - | (1,152,047) | - | - | - |
| 825: Closing Cost of Removal | (108,253) | - | - | - | (108,253) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 10002326 Angel Rd - CRP 23-24

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,085 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 166,342 |
| 370: Outside Services | - | - | - | - | - | - | 956,924 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 456 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 82 |
| 914: Pension and Benefits | - | - | - | - | - | - | 227 |
| 915: Injuries and Damages | - | - | - | - | - | - | 130 |
| 921: Stores Load | - | - | - | - | - | - | 3,847 |
| 922: Minor Material Load | - | - | - | - | - | - | 214 |
| 925: E&S Loads | - | - | - | - | - | - | 66,549 |
| 926: A&G Loads | - | - | - | - | - | - | 53,020 |
| 928: AFUDC Debt | - | - | - | - | - | - | 6,718 |
| 929: AFUDC Equity | - | - | - | - | - | - | 4,706 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,152,047) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (108,253) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 10002425 Camino Sin Pasada - CRP2324

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

County % Sandoval 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2026

Description

The objective of this project is to improve the system reliability and resiliency of PNM's infrastructure by being proactive in the identification, design and replacement of problematic single phase, three phase, and secondary cable in the underground distribution system. Existing underground distribution cables will be evaluated based on faults, age of cables, and field testing results to determine which cables to replace. PNM will also evaluate the existing cable configurations and install to approved design standards. Cable replacement will improve safety for switching and line crew safety while improving reliability and resiliency for customers. Installation of cables in conduits will add protection to the cable and permit quicker repair/replacement should a fault occur in the future. This also involved splitting the existing loop as it exceeded the criteria our 1-phase underground standard for looped designs.

## Project No: 10002425 Camino Sin Pasada - CRP2324

Project Need Justification

This project will replace underground cable that has multiple splices and/or is approaching the end of its useful life. Cable sections are prioritized by number of outages experienced by customers. Existing direct buried cable will be abandoned in place to reduce construction cost. New cable will be installed in conduit to extend the life of the cable and to help facilitate future replacement of the cable if a fault occurs.

## Project No: 10002425 Camino Sin Pasada - CRP2324

Project Alternatives

An alternative to this project is to do nothing and repair underground cable faults reactively. This alternative was not considered as this would mean longer outages for customers while the cable fault location is found and a greater chance for a call back as the cable may fault in another location further down/up stream.

## Project No: **10002425 Camino Sin Pasada - CRP2324**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on 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: 10002425 Camino Sin Pasada - CRP2324

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |

## Project No: **10002425 Camino Sin Pasada - CRP2324**

| | |
|---|---|
| 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:** **10002425** **Camino Sin Pasada - CRP2324**

General Services

Reliability & Resiliency

Cable replacement on a loop that has had multiple outages. This will improve SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) in this area.

Safety & Security

Technology Advancements

## Project No: 10002425 Camino Sin Pasada - CRP2324

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 146 | - | - | - | - | - | - | 146 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 123,638 | - | - | - | - | - | - | 123,638 |
| 370: Outside Services | 695,640 | - | - | - | - | - | - | 695,640 |
| 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 | - | - | - | - | - | - | 12 |
| 914: Pension and Benefits | 31 | - | - | - | - | - | - | 31 |
| 915: Injuries and Damages | 19 | - | - | - | - | - | - | 19 |
| 921: Stores Load | 2,954 | - | - | - | - | - | - | 2,954 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 34,126 | - | - | - | - | - | - | 34,126 |
| 926: A&G Loads | 27,468 | - | - | - | - | - | - | 27,468 |
| 928: AFUDC Debt | 2,269 | - | - | - | - | - | - | 2,269 |
| 929: AFUDC Equity | 1,525 | - | - | - | - | - | - | 1,525 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (811,787) | - | - | - | - | - | - | (811,787) |
| 825: Closing Cost of Removal | - | (76,040) | - | - | - | - | - | (76,040) |
| Project Net | 76,040 | (76,040) | - | - | - | - | - | 0 |

## Project No: 10002425 Camino Sin Pasada - CRP2324

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 146 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 123,638 | - | - | - | - | - | - |
| 370: Outside Services | 695,640 | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| 914: Pension and Benefits | 31 | - | - | - | - | - | - |
| 915: Injuries and Damages | 19 | - | - | - | - | - | - |
| 921: Stores Load | 2,954 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 34,126 | - | - | - | - | - | - |
| 926: A&G Loads | 27,468 | - | - | - | - | - | - |
| 928: AFUDC Debt | 2,269 | - | - | - | - | - | - |
| 929: AFUDC Equity | 1,525 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (811,787) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (76,040) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 10002425 Camino Sin Pasada - CRP2324

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 146 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 123,638 |
| 370: Outside Services | - | - | - | 695,640 |
| 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 |
| 914: Pension and Benefits | - | - | - | 31 |
| 915: Injuries and Damages | - | - | - | 19 |
| 921: Stores Load | - | - | - | 2,954 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 34,126 |
| 926: A&G Loads | - | - | - | 27,468 |
| 928: AFUDC Debt | - | - | - | 2,269 |
| 929: AFUDC Equity | - | - | - | 1,525 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (811,787) |
| 825: Closing Cost of Removal | - | - | - | (76,040) |
| Project Net | - | - | - | 0 |

## Project No: 10002425 Camino Sin Pasada - CRP2324

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 146 | - | - | - | 146 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 123,638 | - | - | - | 123,638 | - | - | - |
| 370: Outside Services | 695,640 | - | - | - | 695,640 | - | - | - |
| 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 | - | - | - | 12 | - | - | - |
| 914: Pension and Benefits | 31 | - | - | - | 31 | - | - | - |
| 915: Injuries and Damages | 19 | - | - | - | 19 | - | - | - |
| 921: Stores Load | 2,954 | - | - | - | 2,954 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 34,126 | - | - | - | 34,126 | - | - | - |
| 926: A&G Loads | 27,468 | - | - | - | 27,468 | - | - | - |
| 928: AFUDC Debt | 2,269 | - | - | - | 2,269 | - | - | - |
| 929: AFUDC Equity | 1,525 | - | - | - | 1,525 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (811,787) | - | - | - | (811,787) | - | - | - |
| 825: Closing Cost of Removal | (76,040) | - | - | - | (76,040) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 10002425 Camino Sin Pasada - CRP2324

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 146 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 123,638 |
| 370: Outside Services | - | - | - | - | - | - | 695,640 |
| 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 |
| 914: Pension and Benefits | - | - | - | - | - | - | 31 |
| 915: Injuries and Damages | - | - | - | - | - | - | 19 |
| 921: Stores Load | - | - | - | - | - | - | 2,954 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 34,126 |
| 926: A&G Loads | - | - | - | - | - | - | 27,468 |
| 928: AFUDC Debt | - | - | - | - | - | - | 2,269 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1,525 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (811,787) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (76,040) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 10002516 Pole Grounds Co01

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

Estimated Start Date 12/18/2015

Estimated Completion Date 12/31/2032

| County % | | |
|---|---|---|
| | Bernalillo | 95% |
| | Sandoval | 2% |
| | Valencia | 3% |

Description

This project is intended primarily to replace stolen copper pole grounds using a less valuable copper clad steel wire. Pole grounds are wires attached to equipment on the pole and/or attached to the neutral conductor running the length of the pole. They enable the proper operation of protective devices, provide paths for lightning strikes to ground, and provide voltage stability. For many years PNM used all copper wire for the ground wires. In recent years, theft of the copper ground wires has increased due to its increased market value at salvage/recycling yards so PNM is switching to copper steel clad wire which has less recyclable value. The #4 copper clad steel wire is used for general pole grounding and 2/0 copper clad steel wire is used for grounding poles with pole mounted switches or backbone conductor risers attached to the poles.

**Project No:** **10002516 Pole Grounds Co01**

Project Need Justification

Pole grounds are necessary on all poles with equipment attached, such as transformers, capacitors, risers, and switches, for the proper and safe operation of the distribution system. At a minimum, four grounds per mile of overhead line are required when equipment is not attached to poles. With increased theft of copper grounds, it is necessary to replace the stolen grounds to keep the distribution system safe and operating properly.

## Project No: 10002516 Pole Grounds Co01

Project Alternatives

1. Do nothing. The minimum requirement, of four grounds per mile of overhead line when equipment is not attached to poles, will not be met. This will not support proper and safe operation of the distribution system.
2. Replace stolen ground wires with the same copper wire that was stolen. This likely would result in repeated thefts, increased costs, and could impact safety due to the need to repeatedly replace the wiring.

## Project No: 10002516 Pole Grounds Co01

Project Estimate Approach

The project spend on the project was developed by escalating the most recent 12-month spend for similar efforts by 2% annually.

This project is primarily performed concurrently with two other PNM projects to optimize costs; PURE (funding project 10001707) and Bird Guarding (funding project 10002316). Most of the pole ground replacements are performed at the same time and on the same structures as the PURE and Bird Guarding work.

**Project No:** **10002516** **Pole Grounds Co01**

| | |
|---|---|
| Customer Benefit | Performing this work helps increase PNM's distribution system reliability and safety through voltage stabilization and proper operation of protective grounding devices. |

## Project No: **10002516 Pole Grounds Co01**

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **10002516** **Pole Grounds Co01**

General Services

Reliability & Resiliency

Performing this work helps to increase PNM's distribution system reliability through voltage stabilization and proper operation of protective grounding devices.

Safety & Security

Maintaining grounds on the distribution system help to ensure that metal equipment will not become energized, which exposes PNM employees and contractors, and the public, to dangerous voltages. Ground wires also help ensure protective devices and lightning protection systems operate properly.

Technology Advancements

## Project No: 10002516 Pole Grounds Co01

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 281,334 | - | - | - | - | - | - | 281,334 |
| 120: Overtime-General | 293,993 | - | - | - | - | - | - | 293,993 |
| 350: Material Issues-Major | 56,109 | - | - | - | - | - | - | 56,109 |
| 370: Outside Services | 1,971,758 | 13,222 | 13,222 | 13,222 | 13,222 | 13,222 | 13,222 | 2,051,088 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 221,000 | - | - | - | - | - | - | 221,000 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,785 | - | - | - | - | - | - | 44,785 |
| 914: Pension and Benefits | 140,075 | - | - | - | - | - | - | 140,075 |
| 915: Injuries and Damages | 56,600 | - | - | - | - | - | - | 56,600 |
| 921: Stores Load | 17,019 | - | - | - | - | - | - | 17,019 |
| 922: Minor Material Load | 6,198 | - | - | - | - | - | - | 6,198 |
| 925: E&S Loads | 384,758 | 859 | 859 | 859 | 859 | 859 | 859 | 389,915 |
| 926: A&G Loads | 151,625 | 688 | 688 | 688 | 688 | 688 | 688 | 155,750 |
| 928: AFUDC Debt | 8,012 | - | - | - | - | - | - | 8,012 |
| 929: AFUDC Equity | 15,704 | - | - | - | - | - | - | 15,704 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,612,494) | (50,210) | - | - | (41,204) | - | (27,470) | (3,731,378) |
| 825: Closing Cost of Removal | - | (1,034) | - | - | (3,101) | - | (2,068) | (6,203) |
| Project Net | 36,475 | (36,475) | 14,769 | 14,769 | (29,537) | 14,769 | (14,769) | (0) |

## Project No: 10002516 Pole Grounds Co01

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 281,334 | - | - | - | - | - | - |
| 120: Overtime-General | 293,993 | - | - | - | - | - | - |
| 350: Material Issues-Major | 56,109 | - | - | - | - | - | - |
| 370: Outside Services | 2,051,088 | 14,587 | 14,587 | 14,587 | 14,587 | 14,587 | 14,587 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 221,000 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,785 | - | - | - | - | - | - |
| 914: Pension and Benefits | 140,075 | - | - | - | - | - | - |
| 915: Injuries and Damages | 56,600 | - | - | - | - | - | - |
| 921: Stores Load | 17,019 | - | - | - | - | - | - |
| 922: Minor Material Load | 6,198 | - | - | - | - | - | - |
| 925: E&S Loads | 389,915 | 1,021 | 1,021 | 1,021 | 1,021 | 1,021 | 1,021 |
| 926: A&G Loads | 155,750 | 547 | 547 | 547 | 547 | 547 | 547 |
| 928: AFUDC Debt | 8,012 | - | - | - | - | - | - |
| 929: AFUDC Equity | 15,704 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,731,378) | - | - | - | (60,097) | - | - |
| 825: Closing Cost of Removal | (6,203) | - | - | - | (4,523) | - | - |
| Project Net | (0) | 16,155 | 16,155 | 16,155 | (48,465) | 16,155 | 16,155 |

## Project No: 10002516 Pole Grounds Co01

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 281,334 |
| 120: Overtime-General | - | - | - | 293,993 |
| 350: Material Issues-Major | - | - | - | 56,109 |
| 370: Outside Services | 14,587 | 14,587 | 14,587 | 2,182,371 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 221,000 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 44,785 |
| 914: Pension and Benefits | - | - | - | 140,075 |
| 915: Injuries and Damages | - | - | - | 56,600 |
| 921: Stores Load | - | - | - | 17,019 |
| 922: Minor Material Load | - | - | - | 6,198 |
| 925: E&S Loads | 1,021 | 1,021 | 1,021 | 399,105 |
| 926: A&G Loads | 547 | 547 | 547 | 160,673 |
| 928: AFUDC Debt | - | - | - | 8,012 |
| 929: AFUDC Equity | - | - | - | 15,704 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (45,073) | - | - | (3,836,548) |
| 825: Closing Cost of Removal | (3,393) | - | - | (14,119) |
| Project Net | (32,310) | 16,155 | 16,155 | 32,310 |

## Project No: 10002516 Pole Grounds Co01

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 281,334 | - | - | - | 281,334 | - | - | - |
| 120: Overtime-General | 293,993 | - | - | - | 293,993 | - | - | - |
| 350: Material Issues-Major | 56,109 | - | - | - | 56,109 | - | - | - |
| 370: Outside Services | 2,182,371 | 14,587 | 14,587 | 14,587 | 2,226,132 | 16,070 | 16,070 | 16,070 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 221,000 | - | - | - | 221,000 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,785 | - | - | - | 44,785 | - | - | - |
| 914: Pension and Benefits | 140,075 | - | - | - | 140,075 | - | - | - |
| 915: Injuries and Damages | 56,600 | - | - | - | 56,600 | - | - | - |
| 921: Stores Load | 17,019 | - | - | - | 17,019 | - | - | - |
| 922: Minor Material Load | 6,198 | - | - | - | 6,198 | - | - | - |
| 925: E&S Loads | 399,105 | 1,021 | 1,021 | 1,021 | 402,168 | 1,125 | 1,125 | 1,125 |
| 926: A&G Loads | 160,673 | 547 | 547 | 547 | 162,315 | 564 | 564 | 564 |
| 928: AFUDC Debt | 8,012 | - | - | - | 8,012 | - | - | - |
| 929: AFUDC Equity | 15,704 | - | - | - | 15,704 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,836,548) | (45,073) | - | (30,048) | (3,911,669) | - | - | - |
| 825: Closing Cost of Removal | (14,119) | (3,393) | - | (2,262) | (19,773) | - | - | - |
| Project Net | 32,310 | (32,310) | 16,155 | (16,155) | (0) | 17,759 | 17,759 | 17,759 |

## Project No: 10002516 Pole Grounds Co01

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 281,334 |
| 120: Overtime-General | - | - | - | - | - | - | 293,993 |
| 350: Material Issues-Major | - | - | - | - | - | - | 56,109 |
| 370: Outside Services | 16,070 | 16,070 | 16,070 | 16,070 | 16,070 | 16,070 | 2,370,762 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 221,000 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 44,785 |
| 914: Pension and Benefits | - | - | - | - | - | - | 140,075 |
| 915: Injuries and Damages | - | - | - | - | - | - | 56,600 |
| 921: Stores Load | - | - | - | - | - | - | 17,019 |
| 922: Minor Material Load | - | - | - | - | - | - | 6,198 |
| 925: E&S Loads | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 412,292 |
| 926: A&G Loads | 564 | 564 | 564 | 564 | 564 | 564 | 167,391 |
| 928: AFUDC Debt | - | - | - | - | - | - | 8,012 |
| 929: AFUDC Equity | - | - | - | - | - | - | 15,704 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (66,063) | - | - | (49,547) | - | - | (4,027,280) |
| 825: Closing Cost of Removal | (4,973) | - | - | (3,729) | - | - | (28,475) |
| Project Net | (53,277) | 17,759 | 17,759 | (35,518) | 17,759 | 17,759 | 35,518 |

## Project No: 10005228 Central Osmose Pole Replacements

Company: 001 Electric Services
Location: 100 Albuquerque Electric Services

**Project Information**

Estimated Start Date 6/1/2025

Estimated Completion Date 12/31/2027

| County % | | |
|---|---|---|
| | Valencia | 10% |
| | Bernalillo | 10% |
| | Sandoval | 40% |
| | Santa Fe | 40% |

Description

Replace deteriorated and failed wood distribution poles identified through OSMOSE inspections within PNM's High Fire Areas across the Metro, East Mountains, and Bosque areas. The project will replace applicable untreated poles and aging or underperforming equipment with infrastructure meeting current PNM High Fire Area standards to improve system safety, reliability, and resiliency. Approximately, 1,177 poles can be replaced.

## Project No: 10005228 Central Osmose Pole Replacements

| | |
|---|---|
| Project Need Justification | OSMOSE inspections have identified deteriorated and failed wood distribution poles requiring replacement within PNM's High Fire Areas. Replacing these poles and associated aging equipment is necessary to address identified asset conditions, reduce the risk of equipment failure and related fire risk, and maintain safe and reliable electric service. |

**Project No:** **10005228** **Central Osmose Pole Replacements**

| | |
|---|---|
| Project Alternatives | Continue operating the existing poles until failure or defer replacement to a future year. This alternative is not recommended due to the identified deterioration and increased risk of pole failure, particularly within PNM's High Fire Areas. |

## Project No: 10005228 Central Osmose Pole Replacements

| | |
|---|---|
| Project Estimate Approach | Project estimate developed using the identified OSMOSE pole replacement quantities and anticipated construction scope, applying historical unit costs for similar distribution pole replacement work. Estimate includes engineering, materials, construction, and applicable project support costs. |

**Project No:** **10005228** **Central Osmose Pole Replacements**

| | |
|---|---|
| Customer Benefit | Improves electric service reliability and public safety by proactively replacing deteriorated poles before failure, reducing the potential for outages and equipment-related fire risk in High Fire Areas. |

## Project No: 10005228 Central Osmose Pole Replacements

| | |
|---|---|
| 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:** **10005228** **Central Osmose Pole Replacements**

General Services

Reliability & Resiliency

Pole replacements allows for upgrades to be made to equipment that is near end of useful life which reduces the SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) impact due to pole related outages.

Safety & Security

Technology Advancements

## Project No: 10005228 Central Osmose Pole Replacements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 92,874 | - | - | - | - | - | - | 92,874 |
| 120: Overtime-General | 6,855 | - | - | - | - | - | - | 6,855 |
| 350: Material Issues-Major | 371,985 | 6,874 | 7,359 | 6,214 | 2,541 | 1,011 | - | 395,984 |
| 370: Outside Services | 991,902 | 138,774 | 142,419 | 125,281 | 119,768 | 87,821 | 27,048 | 1,633,013 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 69,879 | - | - | - | - | - | - | 69,879 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,688 | - | - | - | - | - | - | 7,688 |
| 914: Pension and Benefits | 17,110 | - | - | - | - | - | - | 17,110 |
| 915: Injuries and Damages | 19,934 | - | - | - | - | - | - | 19,934 |
| 921: Stores Load | 8,699 | 1,566 | 1,677 | 1,416 | 579 | 230 | - | 14,168 |
| 922: Minor Material Load | 27,731 | - | - | - | - | - | - | 27,731 |
| 925: E&S Loads | 101,698 | 9,467 | 9,736 | 8,547 | 7,950 | 5,774 | 1,758 | 144,931 |
| 926: A&G Loads | 74,596 | 7,574 | 7,788 | 6,838 | 6,360 | 4,619 | 1,407 | 109,182 |
| 928: AFUDC Debt | 6,819 | 852 | 1,192 | 1,160 | 1,028 | 830 | 420 | 12,301 |
| 929: AFUDC Equity | 5,089 | 908 | 1,270 | 1,237 | 1,096 | 884 | 447 | 10,931 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,356,400) | (19,207) | (163,258) | (189,297) | (193,017) | (228,579) | (185,329) | (2,335,086) |
| 825: Closing Cost of Removal | (38,779) | (6,667) | (44,106) | (41,551) | (34,839) | (35,294) | (26,259) | (227,494) |
| Project Net | 407,681 | 140,142 | (35,923) | (80,154) | (88,534) | (162,704) | (180,508) | 0 |

**Project No:** **10005228** **Central Osmose Pole Replacements**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 92,874 | - | - | - | - | - | - |
| 120: Overtime-General | 6,855 | - | - | - | - | - | - |
| 350: Material Issues-Major | 395,984 | - | - | - | - | - | - |
| 370: Outside Services | 1,633,013 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 69,879 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,688 | - | - | - | - | - | - |
| 914: Pension and Benefits | 17,110 | - | - | - | - | - | - |
| 915: Injuries and Damages | 19,934 | - | - | - | - | - | - |
| 921: Stores Load | 14,168 | - | - | - | - | - | - |
| 922: Minor Material Load | 27,731 | - | - | - | - | - | - |
| 925: E&S Loads | 144,931 | - | - | - | - | - | - |
| 926: A&G Loads | 109,182 | - | - | - | - | - | - |
| 928: AFUDC Debt | 12,301 | - | - | - | - | - | - |
| 929: AFUDC Equity | 10,931 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,335,086) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (227,494) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 10005228 Central Osmose Pole Replacements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 92,874 |
| 120: Overtime-General | - | - | - | 6,855 |
| 350: Material Issues-Major | - | - | - | 395,984 |
| 370: Outside Services | - | - | - | 1,633,013 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 69,879 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 7,688 |
| 914: Pension and Benefits | - | - | - | 17,110 |
| 915: Injuries and Damages | - | - | - | 19,934 |
| 921: Stores Load | - | - | - | 14,168 |
| 922: Minor Material Load | - | - | - | 27,731 |
| 925: E&S Loads | - | - | - | 144,931 |
| 926: A&G Loads | - | - | - | 109,182 |
| 928: AFUDC Debt | - | - | - | 12,301 |
| 929: AFUDC Equity | - | - | - | 10,931 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (2,335,086) |
| 825: Closing Cost of Removal | - | - | - | (227,494) |
| Project Net | - | - | - | 0 |

## Project No: 10005228 Central Osmose Pole Replacements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 92,874 | - | - | - | 92,874 | - | - | - |
| 120: Overtime-General | 6,855 | - | - | - | 6,855 | - | - | - |
| 350: Material Issues-Major | 395,984 | - | - | - | 395,984 | - | - | - |
| 370: Outside Services | 1,633,013 | - | - | - | 1,633,013 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 69,879 | - | - | - | 69,879 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,688 | - | - | - | 7,688 | - | - | - |
| 914: Pension and Benefits | 17,110 | - | - | - | 17,110 | - | - | - |
| 915: Injuries and Damages | 19,934 | - | - | - | 19,934 | - | - | - |
| 921: Stores Load | 14,168 | - | - | - | 14,168 | - | - | - |
| 922: Minor Material Load | 27,731 | - | - | - | 27,731 | - | - | - |
| 925: E&S Loads | 144,931 | - | - | - | 144,931 | - | - | - |
| 926: A&G Loads | 109,182 | - | - | - | 109,182 | - | - | - |
| 928: AFUDC Debt | 12,301 | - | - | - | 12,301 | - | - | - |
| 929: AFUDC Equity | 10,931 | - | - | - | 10,931 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,335,086) | - | - | - | (2,335,086) | - | - | - |
| 825: Closing Cost of Removal | (227,494) | - | - | - | (227,494) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 10005228 Central Osmose Pole Replacements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 92,874 |
| 120: Overtime-General | - | - | - | - | - | - | 6,855 |
| 350: Material Issues-Major | - | - | - | - | - | - | 395,984 |
| 370: Outside Services | - | - | - | - | - | - | 1,633,013 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 69,879 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 7,688 |
| 914: Pension and Benefits | - | - | - | - | - | - | 17,110 |
| 915: Injuries and Damages | - | - | - | - | - | - | 19,934 |
| 921: Stores Load | - | - | - | - | - | - | 14,168 |
| 922: Minor Material Load | - | - | - | - | - | - | 27,731 |
| 925: E&S Loads | - | - | - | - | - | - | 144,931 |
| 926: A&G Loads | - | - | - | - | - | - | 109,182 |
| 928: AFUDC Debt | - | - | - | - | - | - | 12,301 |
| 929: AFUDC Equity | - | - | - | - | - | - | 10,931 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,335,086) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (227,494) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 10505323 Grid Mod - AMI (Advcd Mtrg Infrstr)

Company: 001 Electric Services
Location: 105 PNM Grid Modernization

**Project Information** County % Total System 100%

Estimated Start Date 7/1/2023

Estimated Completion Date 12/31/2030

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10505323** **Grid Mod - AMI (Advcd Mtrg Infrstr)**

Project Need Justification

0

**Project No:** **10505323** **Grid Mod - AMI (Advcd Mtrg Infrstr)**

Project Alternatives

0

**Project No:** **10505323** **Grid Mod - AMI (Advcd Mtrg Infrstr)**

Project Estimate Approach

0

**Project No:** **10505323** **Grid Mod - AMI (Advcd Mtrg Infrstr)**

Customer Benefit

0

**Project No:** **10505323** **Grid Mod - AMI (Advcd Mtrg Infrstr)**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10505323** **Grid Mod - AMI (Advcd Mtrg Infrstr)**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10505323 Grid Mod - AMI (Advcd Mtrg Infrstr)

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 694,490 | 51,156 | 51,156 | 51,156 | 51,156 | 51,156 | 51,156 | 1,001,426 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 7,551,014 | - | - | - | - | - | - | 7,551,014 |
| 370: Outside Services | 11,681,976 | 2,480,924 | 2,709,356 | 3,578,419 | 7,437,428 | 3,269,345 | 2,947,368 | 34,104,816 |
| 374: Outside Services Legal | 80,001 | - | - | - | - | - | - | 80,001 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 499,181 | - | - | - | - | - | - | 499,181 |
| 610: Expenses - General | 10,413,074 | - | - | - | - | - | - | 10,413,074 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 53,715 | 3,898 | 3,898 | 3,898 | 3,898 | 3,898 | 3,898 | 77,103 |
| 914: Pension and Benefits | 117,359 | 9,520 | 9,520 | 9,520 | 9,520 | 9,520 | 9,520 | 174,480 |
| 915: Injuries and Damages | 139,192 | 10,129 | 10,129 | 10,129 | 10,129 | 10,129 | 10,129 | 199,965 |
| 921: Stores Load | 99,476 | - | - | - | - | - | - | 99,476 |
| 922: Minor Material Load | 455 | - | - | - | - | - | - | 455 |
| 925: E&S Loads | 2,505,585 | 242,018 | 263,650 | 345,951 | 711,399 | 316,681 | 286,190 | 4,671,474 |
| 926: A&G Loads | 1,287,545 | 25,321 | 27,605 | 36,296 | 74,886 | 33,205 | 29,985 | 1,514,843 |
| 928: AFUDC Debt | 269,956 | 45,569 | 52,166 | 55,493 | 65,211 | 53,890 | 54,647 | 596,933 |
| 929: AFUDC Equity | 206,382 | 48,565 | 55,596 | 59,142 | 69,499 | 57,433 | 58,240 | 554,858 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (18,430,609) | (162,159) | (2,065,064) | (1,909,786) | (10,300,380) | (3,074,310) | (19,954,645) | (55,896,953) |
| 825: Closing Cost of Removal | - | (1,612) | (37,439) | (51,186) | (401,460) | (135,448) | (956,172) | (1,583,317) |
| Project Net | 17,168,792 | 2,753,329 | 1,080,574 | 2,189,032 | (2,268,714) | 595,500 | (17,459,684) | 4,058,830 |

## Project No: 10505323 Grid Mod - AMI (Advcd Mtrg Infrstr)

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,001,426 | 51,156 | 51,156 | 51,156 | 51,156 | 51,156 | 51,156 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 7,551,014 | - | - | - | - | - | - |
| 370: Outside Services | 34,104,816 | 5,139,997 | 3,710,166 | 3,710,166 | 6,572,081 | 7,114,175 | 5,901,328 |
| 374: Outside Services Legal | 80,001 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 499,181 | - | - | - | - | - | - |
| 610: Expenses - General | 10,413,074 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 77,103 | 4,225 | 4,225 | 4,225 | 4,225 | 4,225 | 4,225 |
| 914: Pension and Benefits | 174,480 | 9,715 | 9,715 | 9,715 | 9,715 | 9,715 | 9,715 |
| 915: Injuries and Damages | 199,965 | 9,699 | 9,699 | 9,699 | 9,699 | 9,699 | 9,699 |
| 921: Stores Load | 99,476 | - | - | - | - | - | - |
| 922: Minor Material Load | 455 | - | - | - | - | - | - |
| 925: E&S Loads | 4,671,474 | 389,024 | 282,358 | 282,358 | 495,857 | 536,297 | 445,819 |
| 926: A&G Loads | 1,514,843 | 51,912 | 37,613 | 37,613 | 66,232 | 71,653 | 59,525 |
| 928: AFUDC Debt | 596,933 | 14,452 | 12,596 | 12,042 | 14,721 | 14,465 | 15,828 |
| 929: AFUDC Equity | 554,858 | 19,551 | 17,040 | 16,290 | 19,915 | 19,569 | 21,413 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (55,896,953) | (5,406,627) | (4,096,327) | (4,085,178) | (7,127,355) | (6,060,897) | (6,407,992) |
| 825: Closing Cost of Removal | (1,583,317) | (343,039) | (283,216) | (294,365) | (527,141) | (452,424) | (478,946) |
| Project Net | 4,058,830 | (59,936) | (244,974) | (246,279) | (410,895) | 1,317,634 | (368,230) |

## Project No: 10505323 Grid Mod - AMI (Advcd Mtrg Infrstr)

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 51,156 | 51,156 | 51,156 | 1,461,830 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 7,551,014 |
| 370: Outside Services | 5,185,746 | 5,133,961 | 7,835,188 | 84,407,624 |
| 374: Outside Services Legal | - | - | - | 80,001 |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | 499,181 |
| 610: Expenses - General | - | - | - | 10,413,074 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 4,225 | 4,225 | 4,225 | 115,133 |
| 914: Pension and Benefits | 9,715 | 9,715 | 9,715 | 261,911 |
| 915: Injuries and Damages | 9,699 | 9,699 | 9,699 | 287,258 |
| 921: Stores Load | - | - | - | 99,476 |
| 922: Minor Material Load | - | - | - | 455 |
| 925: E&S Loads | 392,436 | 388,573 | 590,085 | 8,474,281 |
| 926: A&G Loads | 52,369 | 51,851 | 78,863 | 2,022,475 |
| 928: AFUDC Debt | 14,262 | 13,522 | 15,875 | 724,695 |
| 929: AFUDC Equity | 19,294 | 18,293 | 21,476 | 727,700 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (5,645,917) | (5,590,648) | (8,465,930) | ########## |
| 825: Closing Cost of Removal | (422,165) | (418,175) | (633,968) | (5,436,756) |
| Project Net | (329,180) | (327,827) | (483,616) | 2,905,527 |

## Project No: 10505323 Grid Mod - AMI (Advcd Mtrg Infrstr)

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,461,830 | 51,156 | 51,156 | 51,156 | 1,615,298 | 51,156 | 51,156 | 51,156 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 7,551,014 | - | - | - | 7,551,014 | - | - | - |
| 370: Outside Services | 84,407,624 | 5,133,961 | 6,659,241 | 6,128,735 | 102,329,561 | 8,309,979 | 4,261,627 | 3,775,628 |
| 374: Outside Services Legal | 80,001 | - | - | - | 80,001 | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 499,181 | - | - | - | 499,181 | - | - | - |
| 610: Expenses - General | 10,413,074 | - | - | - | 10,413,074 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 115,133 | 4,225 | 4,225 | 4,225 | 127,809 | 4,225 | 4,225 | 4,225 |
| 914: Pension and Benefits | 261,911 | 9,715 | 9,715 | 9,715 | 291,054 | 9,715 | 9,715 | 9,715 |
| 915: Injuries and Damages | 287,258 | 9,699 | 9,699 | 9,699 | 316,356 | 9,699 | 9,699 | 9,699 |
| 921: Stores Load | 99,476 | - | - | - | 99,476 | - | - | - |
| 922: Minor Material Load | 455 | - | - | - | 455 | - | - | - |
| 925: E&S Loads | 8,474,281 | 388,573 | 502,359 | 462,783 | 9,827,996 | 721,929 | 373,366 | 331,521 |
| 926: A&G Loads | 2,022,475 | 51,851 | 67,104 | 61,799 | 2,203,229 | 83,611 | 43,128 | 38,268 |
| 928: AFUDC Debt | 724,695 | 11,841 | 12,866 | 15,011 | 764,414 | 10,706 | 7,135 | 5,988 |
| 929: AFUDC Equity | 727,700 | 16,019 | 17,406 | 20,307 | 781,433 | 16,891 | 11,257 | 9,447 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | ########## | (5,590,247) | (5,591,155) | (9,275,638) | ########## | (8,148,242) | (4,716,898) | (4,193,232) |
| 825: Closing Cost of Removal | (5,436,756) | (418,576) | (418,887) | (694,496) | (6,968,715) | (611,248) | (353,618) | (314,379) |
| Project Net | 2,905,527 | (331,782) | 1,323,730 | (3,206,703) | 690,772 | 458,421 | (299,208) | (271,964) |

## Project No: 10505323 Grid Mod - AMI (Advcd Mtrg Infrstr)

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 51,156 | 51,156 | 51,156 | - | - | - | 1,922,234 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 7,551,014 |
| 370: Outside Services | 3,843,607 | 3,843,607 | 3,843,607 | 4,006,963 | 3,843,607 | 3,843,607 | 141,901,793 |
| 374: Outside Services Legal | - | - | - | - | - | - | 80,001 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | 499,181 |
| 610: Expenses - General | - | - | - | - | - | - | 10,413,074 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,225 | 4,225 | 4,225 | - | - | - | 153,162 |
| 914: Pension and Benefits | 9,715 | 9,715 | 9,715 | - | - | - | 349,341 |
| 915: Injuries and Damages | 9,699 | 9,699 | 9,699 | - | - | - | 374,551 |
| 921: Stores Load | - | - | - | - | - | - | 99,476 |
| 922: Minor Material Load | - | - | - | - | - | - | 455 |
| 925: E&S Loads | 337,374 | 337,374 | 337,374 | 345,000 | 330,935 | 330,935 | 13,273,805 |
| 926: A&G Loads | 38,948 | 38,948 | 38,948 | 40,070 | 38,436 | 38,436 | 2,602,021 |
| 928: AFUDC Debt | 5,511 | 4,948 | 4,382 | 4,927 | 4,530 | 4,963 | 817,504 |
| 929: AFUDC Equity | 8,695 | 7,807 | 6,914 | 7,773 | 7,146 | 7,831 | 865,194 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,266,376) | (4,266,262) | (3,801,054) | (4,196,081) | (3,730,951) | (3,731,019) | ########## |
| 825: Closing Cost of Removal | (319,972) | (320,086) | (285,294) | (314,859) | (279,989) | (279,921) | (10,048,082) |
| Project Net | (277,417) | (278,869) | 219,673 | (106,208) | 213,714 | 214,832 | 563,745 |

## Project No: 10505423 Grid Mod - Distribution Automation

Company: 001 Electric Services
Location: 105 PNM Grid Modernization

**Project Information** County % Total System 100%

Estimated Start Date 7/1/2023

Estimated Completion Date 12/31/2030

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10505423** **Grid Mod - Distribution Automation**

Project Need Justification

0

**Project No:** **10505423** **Grid Mod - Distribution Automation**

Project Alternatives

0

**Project No:** **10505423** **Grid Mod - Distribution Automation**

Project Estimate Approach

0

**Project No:** **10505423** **Grid Mod - Distribution Automation**

Customer Benefit

0

**Project No:** **10505423** **Grid Mod - Distribution Automation**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10505423** **Grid Mod - Distribution Automation**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10505423 Grid Mod - Distribution Automation

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 49,561 | 52,475 | 21,359 | 178,402 | 104,781 | 63,361 | 111,416 | 581,355 |
| 120: Overtime-General | 1,727 | - | - | - | - | - | - | 1,727 |
| 350: Material Issues-Major | 231,654 | 690,522 | 617,835 | 1,223,556 | 533,034 | 436,119 | 1,215,984 | 4,948,704 |
| 370: Outside Services | 193,953 | 335,072 | 231,095 | 975,743 | 547,030 | 346,773 | 677,616 | 3,307,282 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,903 | - | - | - | - | - | - | 2,903 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,917 | 3,999 | 1,628 | 13,594 | 7,984 | 4,828 | 8,490 | 44,439 |
| 914: Pension and Benefits | 9,333 | 9,766 | 3,975 | 33,201 | 19,500 | 11,791 | 20,735 | 108,300 |
| 915: Injuries and Damages | 10,173 | 10,390 | 4,229 | 35,324 | 20,747 | 12,545 | 22,060 | 115,468 |
| 921: Stores Load | 8,099 | - | - | - | - | - | - | 8,099 |
| 922: Minor Material Load | 32,073 | - | - | - | - | - | - | 32,073 |
| 925: E&S Loads | 49,277 | 104,381 | 83,347 | 232,945 | 116,772 | 82,902 | 194,732 | 864,356 |
| 926: A&G Loads | 29,956 | 10,781 | 8,703 | 23,777 | 11,848 | 8,463 | 20,050 | 113,578 |
| 928: AFUDC Debt | 2,970 | 2,946 | 1,115 | 3,116 | 1,562 | 1,109 | 4,828 | 17,645 |
| 929: AFUDC Equity | 2,520 | 3,139 | 1,188 | 3,321 | 1,664 | 1,182 | 5,146 | 18,160 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (1,766,368) | (906,422) | (2,532,820) | (1,269,604) | - | - | (6,475,214) |
| 825: Closing Cost of Removal | - | (85,217) | (68,052) | (190,158) | (95,319) | - | - | (438,746) |
| Project Net | 628,116 | (628,116) | - | (0) | - | 969,073 | 2,281,056 | 3,250,130 |

**Project No:** **10505423** **Grid Mod - Distribution Automation**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 581,355 | 100,725 | 47,956 | 65,280 | 57,311 | 49,886 | 28,522 |
| 120: Overtime-General | 1,727 | - | - | - | - | - | - |
| 350: Material Issues-Major | 4,948,704 | 1,499,280 | 1,002,952 | 1,046,201 | 968,971 | 950,436 | 885,564 |
| 370: Outside Services | 3,307,282 | 995,433 | 637,315 | 752,122 | 693,584 | 644,384 | 501,066 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,903 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,439 | 8,320 | 3,961 | 5,392 | 4,734 | 4,121 | 2,356 |
| 914: Pension and Benefits | 108,300 | 19,128 | 9,107 | 12,397 | 10,883 | 9,473 | 5,416 |
| 915: Injuries and Damages | 115,468 | 19,097 | 9,092 | 12,377 | 10,866 | 9,458 | 5,408 |
| 921: Stores Load | 8,099 | - | - | - | - | - | - |
| 922: Minor Material Load | 32,073 | - | - | - | - | - | - |
| 925: E&S Loads | 864,356 | 197,092 | 127,595 | 141,275 | 130,278 | 124,415 | 106,554 |
| 926: A&G Loads | 113,578 | 25,954 | 16,882 | 18,636 | 17,199 | 16,447 | 14,152 |
| 928: AFUDC Debt | 17,645 | 9,692 | 1,919 | 2,125 | 1,960 | 1,871 | 1,603 |
| 929: AFUDC Equity | 18,160 | 13,112 | 2,596 | 2,875 | 2,651 | 2,532 | 2,168 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,475,214) | (5,710,761) | (1,729,536) | (1,914,922) | (1,765,868) | (1,686,420) | (1,444,376) |
| 825: Closing Cost of Removal | (438,746) | (427,203) | (129,840) | (143,758) | (132,568) | (126,603) | (108,433) |
| Project Net | 3,250,130 | (3,250,130) | - | - | - | - | 0 |

## Project No: 10505423 Grid Mod - Distribution Automation

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 8,913 | 8,913 | 8,913 | 957,774 |
| 120: Overtime-General | - | - | - | 1,727 |
| 350: Material Issues-Major | 205,945 | 205,945 | 205,945 | 11,919,943 |
| 370: Outside Services | 308,148 | 308,148 | 277,862 | 8,425,344 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 2,903 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 736 | 736 | 736 | 75,531 |
| 914: Pension and Benefits | 1,693 | 1,693 | 1,693 | 179,782 |
| 915: Injuries and Damages | 1,690 | 1,690 | 1,690 | 186,837 |
| 921: Stores Load | - | - | - | 8,099 |
| 922: Minor Material Load | - | - | - | 32,073 |
| 925: E&S Loads | 39,324 | 39,324 | 37,064 | 1,807,275 |
| 926: A&G Loads | 5,230 | 5,230 | 4,927 | 238,235 |
| 928: AFUDC Debt | 592 | 592 | 558 | 38,555 |
| 929: AFUDC Equity | 800 | 800 | 754 | 46,449 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (533,053) | (533,053) | (502,424) | (22,295,625) |
| 825: Closing Cost of Removal | (40,017) | (40,017) | (37,718) | (1,624,903) |
| Project Net | 0 | 0 | 0 | (0) |

## Project No: 10505423 Grid Mod - Distribution Automation

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 957,774 | - | - | - | 957,774 | 110,642 | 110,642 | 98,267 |
| 120: Overtime-General | 1,727 | - | - | - | 1,727 | - | - | - |
| 350: Material Issues-Major | 11,919,943 | - | - | - | 11,919,943 | 1,614,341 | 1,614,341 | 1,582,832 |
| 370: Outside Services | 8,425,344 | 60,572 | 60,572 | 60,572 | 8,607,060 | 1,254,836 | 1,254,839 | 1,139,782 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,903 | - | - | - | 2,903 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 75,531 | - | - | - | 75,531 | 9,139 | 9,139 | 8,117 |
| 914: Pension and Benefits | 179,782 | - | - | - | 179,782 | 21,011 | 21,011 | 18,661 |
| 915: Injuries and Damages | 186,837 | - | - | - | 186,837 | 20,978 | 20,978 | 18,631 |
| 921: Stores Load | 8,099 | - | - | - | 8,099 | - | - | - |
| 922: Minor Material Load | 32,073 | - | - | - | 32,073 | - | - | - |
| 925: E&S Loads | 1,807,275 | 4,519 | 4,519 | 4,519 | 1,820,831 | 260,965 | 260,965 | 246,788 |
| 926: A&G Loads | 238,235 | 606 | 606 | 606 | 240,052 | 29,798 | 29,798 | 28,209 |
| 928: AFUDC Debt | 38,555 | 68 | 68 | 204 | 38,896 | 3,638 | 3,370 | 3,187 |
| 929: AFUDC Equity | 46,449 | 92 | 92 | 276 | 46,909 | 5,739 | 5,316 | 5,027 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (22,295,625) | (61,258) | - | - | (22,356,883) | (3,221,402) | (3,097,879) | (2,929,610) |
| 825: Closing Cost of Removal | (1,624,903) | (4,599) | - | - | (1,629,502) | (241,717) | (232,520) | (219,890) |
| Project Net | (0) | - | 65,856 | 66,177 | 132,033 | (132,033) | - | - |

## Project No: 10505423 Grid Mod - Distribution Automation

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 98,267 | 45,203 | 45,203 | 12,478 | 12,478 | 12,478 | 1,503,432 |
| 120: Overtime-General | - | - | - | - | - | - | 1,727 |
| 350: Material Issues-Major | 1,582,832 | 1,330,755 | 1,330,755 | 294,089 | 294,089 | 294,089 | 21,858,066 |
| 370: Outside Services | 1,139,786 | 764,028 | 764,031 | 439,225 | 439,225 | 439,225 | 16,242,037 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 2,903 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,117 | 3,734 | 3,734 | 1,031 | 1,031 | 1,031 | 120,603 |
| 914: Pension and Benefits | 18,661 | 8,584 | 8,584 | 2,370 | 2,370 | 2,370 | 283,402 |
| 915: Injuries and Damages | 18,631 | 8,570 | 8,570 | 2,366 | 2,366 | 2,366 | 290,294 |
| 921: Stores Load | - | - | - | - | - | - | 8,099 |
| 922: Minor Material Load | - | - | - | - | - | - | 32,073 |
| 925: E&S Loads | 246,788 | 186,051 | 186,052 | 64,709 | 64,709 | 64,709 | 3,402,566 |
| 926: A&G Loads | 28,209 | 21,400 | 21,400 | 7,458 | 7,458 | 7,458 | 421,240 |
| 928: AFUDC Debt | 3,187 | 2,402 | 2,402 | 836 | 836 | 836 | 59,587 |
| 929: AFUDC Equity | 5,027 | 3,790 | 3,790 | 1,318 | 1,318 | 1,318 | 79,555 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,929,615) | (2,208,735) | (2,208,739) | (768,218) | (768,218) | (768,218) | (41,257,517) |
| 825: Closing Cost of Removal | (219,890) | (165,783) | (165,783) | (57,661) | (57,661) | (57,661) | (3,048,067) |
| Project Net | - | - | 0 | (0) | (0) | (0) | - |

## Project No: 10505623 Grid Mod - Dist Planning & Engineer

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 105 | PNM Grid Modernization |

**Project Information** County % Total System 100%

Estimated Start Date 7/1/2023

Estimated Completion Date 12/31/2030

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10505623** **Grid Mod - Dist Planning & Engineer**

Project Need Justification

0

**Project No:** **10505623** **Grid Mod - Dist Planning & Engineer**

Project Alternatives

0

**Project No:** **10505623** **Grid Mod - Dist Planning & Engineer**

Project Estimate Approach

0

**Project No:** **10505623** **Grid Mod - Dist Planning & Engineer**

Customer Benefit

0

**Project No:** **10505623** **Grid Mod - Dist Planning & Engineer**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10505623** **Grid Mod - Dist Planning & Engineer**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10505623 Grid Mod - Dist Planning & Engineer

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 111,049 | 111,049 | 111,049 | 111,049 | 333,146 | 100,953 | 878,295 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | 232 | 697 | 1,157 | 1,656 | 2,597 | 3,531 | 9,871 |
| 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 | - | 10,516 | 10,516 | 10,516 | 10,516 | 31,549 | 9,560 | 83,175 |
| 926: A&G Loads | - | 1,110 | 1,110 | 1,110 | 1,110 | 3,331 | 1,010 | 8,783 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | 122,907 | 123,373 | 123,833 | 124,332 | 370,623 | 115,054 | 980,123 |

## Project No: 10505623 Grid Mod - Dist Planning & Engineer

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 878,295 | 166,573 | 166,573 | 166,573 | 166,573 | 166,573 | 166,573 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 9,871 | 4,086 | 4,671 | 5,595 | 6,295 | 7,251 | 7,972 |
| 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 | 83,175 | 12,426 | 12,426 | 12,426 | 12,426 | 12,426 | 12,426 |
| 926: A&G Loads | 8,783 | 1,666 | 1,666 | 1,666 | 1,666 | 1,666 | 1,666 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 980,123 | 184,751 | 185,336 | 186,260 | 186,960 | 187,916 | 188,638 |

## Project No: 10505623 Grid Mod - Dist Planning & Engineer

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 166,573 | 166,573 | 166,573 | 2,377,452 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | 8,757 | 9,568 | 10,289 | 74,355 |
| 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 | 12,426 | 12,426 | 12,426 | 195,012 |
| 926: A&G Loads | 1,666 | 1,666 | 1,666 | 23,775 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 189,422 | 190,233 | 190,955 | 2,670,593 |

## Project No: 10505623 Grid Mod - Dist Planning & Engineer

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 2,377,452 | 166,573 | 166,573 | 161,526 | 2,872,124 | 141,335 | 141,335 | 141,335 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 74,355 | 10,991 | 11,954 | 12,728 | 110,028 | 7,077 | 7,586 | 8,546 |
| 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 | 195,012 | 12,426 | 12,426 | 12,050 | 231,914 | 12,169 | 12,169 | 12,169 |
| 926: A&G Loads | 23,775 | 1,666 | 1,666 | 1,615 | 28,721 | 1,413 | 1,413 | 1,413 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,571,297) | (1,571,297) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 2,670,593 | 191,656 | 192,619 | (1,383,378) | 1,671,490 | 161,995 | 162,503 | 163,464 |

## Project No: 10505623 Grid Mod - Dist Planning & Engineer

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 141,335 | 141,335 | 141,335 | 141,335 | 141,335 | 141,335 | 4,144,139 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 9,184 | 9,599 | 10,554 | 11,261 | 11,931 | 12,585 | 198,352 |
| 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 | 12,169 | 12,169 | 12,169 | 12,169 | 12,169 | 12,169 | 341,435 |
| 926: A&G Loads | 1,413 | 1,413 | 1,413 | 1,413 | 1,413 | 1,413 | 41,441 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,571,297) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 164,102 | 164,516 | 165,471 | 166,178 | 166,849 | 167,503 | 3,154,070 |

## Project No: 10528023 Grid Mod - Customer Info and Analyt

Company: 001 Electric Services
Location: 105 PNM Grid Modernization

**Project Information**

County % Bernalillo 100%

Estimated Start Date 7/1/2023

Estimated Completion Date 12/31/2030

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10528023** **Grid Mod - Customer Info and Analyt**

Project Need Justification

0

**Project No:** **10528023** **Grid Mod - Customer Info and Analyt**

Project Alternatives

0

**Project No:** **10528023** **Grid Mod - Customer Info and Analyt**

Project Estimate Approach

0

**Project No:** **10528023** **Grid Mod - Customer Info and Analyt**

Customer Benefit

0

**Project No:** **10528023** **Grid Mod - Customer Info and Analyt**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10528023** **Grid Mod - Customer Info and Analyt**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10528023 Grid Mod - Customer Info and Analyt

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 256,990 | 73,888 | 73,888 | 73,888 | 73,888 | 73,888 | 73,888 | 700,318 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 772,911 | 38,507 | 115,121 | 99,344 | 98,255 | 50,181 | 50,181 | 1,224,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 40,949 | 3,033 | 3,820 | 487 | 1,374 | 2,144 | 2,824 | 54,630 |
| 610: Expenses - General | 1,773,791 | - | - | - | - | - | - | 1,773,791 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 19,789 | 5,630 | 5,630 | 5,630 | 5,630 | 5,630 | 5,630 | 53,571 |
| 914: Pension and Benefits | 44,508 | 13,751 | 13,751 | 13,751 | 13,751 | 13,751 | 13,751 | 127,012 |
| 915: Injuries and Damages | 51,321 | 14,630 | 14,630 | 14,630 | 14,630 | 14,630 | 14,630 | 139,100 |
| 921: Stores Load | 9,181 | - | - | - | - | - | - | 9,181 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 100,618 | 13,865 | 21,120 | 19,626 | 19,523 | 14,970 | 14,970 | 204,692 |
| 926: A&G Loads | 80,050 | 1,124 | 1,890 | 1,732 | 1,721 | 1,241 | 1,241 | 88,999 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,409,705) | - | (1,121,601) | - | - | - | (826,428) | (4,357,734) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 740,404 | 164,427 | (871,752) | 229,087 | 228,771 | 176,434 | (649,313) | 18,060 |

## Project No: 10528023 Grid Mod - Customer Info and Analyt

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 700,318 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 1,224,500 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 54,630 | - | - | - | - | - | - |
| 610: Expenses - General | 1,773,791 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 53,571 | - | - | - | - | - | - |
| 914: Pension and Benefits | 127,012 | - | - | - | - | - | - |
| 915: Injuries and Damages | 139,100 | - | - | - | - | - | - |
| 921: Stores Load | 9,181 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 204,692 | - | - | - | - | - | - |
| 926: A&G Loads | 88,999 | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,357,734) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 18,060 | - | - | - | - | - | - |

**Project No:** **10528023** **Grid Mod - Customer Info and Analyt**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 700,318 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 1,224,500 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | 54,630 |
| 610: Expenses - General | - | - | - | 1,773,791 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 53,571 |
| 914: Pension and Benefits | - | - | - | 127,012 |
| 915: Injuries and Damages | - | - | - | 139,100 |
| 921: Stores Load | - | - | - | 9,181 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 204,692 |
| 926: A&G Loads | - | - | - | 88,999 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (4,357,734) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | 18,060 |

## Project No: 10528023 Grid Mod - Customer Info and Analyt

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 700,318 | - | - | - | 700,318 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,224,500 | - | - | 252,384 | 1,476,884 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 54,630 | - | - | 554 | 55,184 | - | - | - |
| 610: Expenses - General | 1,773,791 | - | - | - | 1,773,791 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 53,571 | - | - | - | 53,571 | - | - | - |
| 914: Pension and Benefits | 127,012 | - | - | - | 127,012 | - | - | - |
| 915: Injuries and Damages | 139,100 | - | - | - | 139,100 | - | - | - |
| 921: Stores Load | 9,181 | - | - | - | 9,181 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 204,692 | - | - | 18,828 | 223,519 | - | - | - |
| 926: A&G Loads | 88,999 | - | - | 2,524 | 91,523 | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,357,734) | - | - | (274,290) | (4,632,024) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 18,060 | - | - | - | 18,060 | - | - | - |

## Project No: 10528023 Grid Mod - Customer Info and Analyt

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 700,318 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,476,884 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | 55,184 |
| 610: Expenses - General | - | - | - | - | - | - | 1,773,791 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 53,571 |
| 914: Pension and Benefits | - | - | - | - | - | - | 127,012 |
| 915: Injuries and Damages | - | - | - | - | - | - | 139,100 |
| 921: Stores Load | - | - | - | - | - | - | 9,181 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 223,519 |
| 926: A&G Loads | - | - | - | - | - | - | 91,523 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (4,632,024) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 18,060 |

## Project No: 10528123 Grid Mod - Cybersecurity

Company: 001 Electric Services
Location: 105 PNM Grid Modernization

**Project Information**

County % Bernalillo 100%

Estimated Start Date 7/1/2023

Estimated Completion Date 12/31/2029

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10528123** **Grid Mod - Cybersecurity**

Project Need Justification

0

**Project No:** **10528123** **Grid Mod - Cybersecurity**

Project Alternatives

0

**Project No:** **10528123** **Grid Mod - Cybersecurity**

Project Estimate Approach

0

**Project No:** **10528123** **Grid Mod - Cybersecurity**

Customer Benefit

0

**Project No:** **10528123** **Grid Mod - Cybersecurity**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10528123** **Grid Mod - Cybersecurity**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10528123 Grid Mod - Cybersecurity

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 54,611 | 20,191 | - | 20,191 | - | 20,191 | 35,334 | 150,518 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,757,197 | - | - | - | - | - | 999,116 | 2,756,313 |
| 370: Outside Services | 342,160 | - | - | 20,191 | - | - | - | 362,351 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 31,221 | 9,812 | 9,927 | 10,013 | 10,361 | 10,433 | 12,780 | 94,546 |
| 610: Expenses - General | 145,037 | - | - | - | - | - | - | 145,037 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,162 | 1,539 | - | 1,539 | - | 1,539 | 2,692 | 11,470 |
| 914: Pension and Benefits | 9,993 | 3,758 | - | 3,758 | - | 3,758 | 6,576 | 27,841 |
| 915: Injuries and Damages | 10,813 | 3,998 | - | 3,998 | - | 3,998 | 6,996 | 29,803 |
| 921: Stores Load | 38,226 | - | - | - | - | - | - | 38,226 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 198,896 | 2,792 | - | 4,704 | - | 2,792 | 99,503 | 308,688 |
| 926: A&G Loads | 20,752 | 202 | - | 404 | - | 202 | 10,345 | 31,904 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (3,925,475) | (3,925,475) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 2,613,068 | 42,291 | 9,927 | 64,798 | 10,361 | 42,912 | (2,752,134) | 31,221 |

## Project No: 10528123 Grid Mod - Cybersecurity

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 150,518 | - | 20,191 | - | 20,191 | - | 20,191 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,756,313 | 55,828 | 55,828 | 55,828 | 55,828 | 55,828 | 55,828 |
| 370: Outside Services | 362,351 | - | - | 10,095 | - | - | 30,286 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 94,546 | 116 | 398 | 735 | 1,053 | 1,398 | 1,768 |
| 610: Expenses - General | 145,037 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 11,470 | - | 1,668 | - | 1,668 | - | 1,668 |
| 914: Pension and Benefits | 27,841 | - | 3,834 | - | 3,834 | - | 3,834 |
| 915: Injuries and Damages | 29,803 | - | 3,828 | - | 3,828 | - | 3,828 |
| 921: Stores Load | 38,226 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 308,688 | 4,165 | 6,367 | 4,918 | 6,367 | 4,165 | 8,626 |
| 926: A&G Loads | 31,904 | 558 | 760 | 659 | 760 | 558 | 1,063 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,925,475) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 31,221 | 60,667 | 92,874 | 72,235 | 93,529 | 61,949 | 127,093 |

**Project No:** **10528123** **Grid Mod - Cybersecurity**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | 20,191 | - | 231,282 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | 55,828 | 55,828 | 55,828 | 3,258,765 |
| 370: Outside Services | - | - | 30,286 | 433,018 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | 2,153 | 2,482 | 2,853 | 107,502 |
| 610: Expenses - General | - | - | - | 145,037 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | 1,668 | - | 18,141 |
| 914: Pension and Benefits | - | 3,834 | - | 43,178 |
| 915: Injuries and Damages | - | 3,828 | - | 45,116 |
| 921: Stores Load | - | - | - | 38,226 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 4,165 | 6,367 | 6,424 | 360,252 |
| 926: A&G Loads | 558 | 760 | 861 | 38,443 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (3,925,475) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 62,704 | 94,958 | 96,253 | 793,483 |

## Project No: 10528123 Grid Mod - Cybersecurity

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 231,282 | 20,191 | - | - | 251,473 | - | 20,191 | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,258,765 | 55,828 | 55,828 | - | 3,370,421 | 58,553 | 58,553 | 58,553 |
| 370: Outside Services | 433,018 | - | - | - | 433,018 | - | - | 10,095 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 107,502 | 3,219 | 3,596 | 3,735 | 118,051 | 130 | 447 | 820 |
| 610: Expenses - General | 145,037 | - | - | - | 145,037 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 18,141 | 1,668 | - | - | 19,809 | - | 1,668 | - |
| 914: Pension and Benefits | 43,178 | 3,834 | - | - | 47,013 | - | 3,834 | - |
| 915: Injuries and Damages | 45,116 | 3,828 | - | - | 48,944 | - | 3,828 | - |
| 921: Stores Load | 38,226 | - | - | - | 38,226 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 360,252 | 6,367 | 4,165 | - | 370,783 | 5,041 | 7,583 | 5,911 |
| 926: A&G Loads | 38,443 | 760 | 558 | - | 39,761 | 586 | 787 | 686 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,925,475) | - | - | (925,839) | (4,851,314) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 793,483 | 95,695 | 64,147 | (922,104) | 31,221 | 64,310 | 96,892 | 76,065 |

## Project No: 10528123 Grid Mod - Cybersecurity

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 20,191 | - | 20,191 | - | - | - | 312,046 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 58,553 | 58,553 | 58,553 | 58,553 | - | - | 3,780,292 |
| 370: Outside Services | - | - | 10,095 | - | - | - | 453,208 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 1,172 | 1,467 | 1,869 | 2,235 | 2,373 | 2,377 | 130,941 |
| 610: Expenses - General | - | - | - | - | - | - | 145,037 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,668 | - | 1,668 | - | - | - | 24,812 |
| 914: Pension and Benefits | 3,834 | - | 3,834 | - | - | - | 58,515 |
| 915: Injuries and Damages | 3,828 | - | 3,828 | - | - | - | 60,429 |
| 921: Stores Load | - | - | - | - | - | - | 38,226 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 7,583 | 5,041 | 8,452 | 5,041 | - | - | 415,437 |
| 926: A&G Loads | 787 | 586 | 888 | 586 | - | - | 44,668 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (4,851,314) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 97,617 | 65,647 | 109,379 | 66,415 | 2,373 | 2,377 | 612,295 |

## Project No: 10528223 Grid Mod - ADMS

Company: 001 Electric Services
Location: 105 PNM Grid Modernization

**Project Information**

County % Bernalillo 100%

Estimated Start Date 7/1/2023

Estimated Completion Date 12/31/2031

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10528223** **Grid Mod - ADMS**

Project Need Justification

0

**Project No:** **10528223** **Grid Mod - ADMS**

Project Alternatives

0

**Project No:** **10528223** **Grid Mod - ADMS**

Project Estimate Approach

0

**Project No:** **10528223** **Grid Mod - ADMS**

Customer Benefit

0

**Project No:** **10528223** **Grid Mod - ADMS**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10528223** **Grid Mod - ADMS**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10528223 Grid Mod - ADMS

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 44,126 | 210,320 | 210,320 | 210,320 | 210,320 | 210,320 | 210,320 | 1,306,046 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,496,050 | - | - | - | - | - | - | 2,496,050 |
| 370: Outside Services | - | 3,705,115 | 438,009 | 438,009 | 438,009 | 438,009 | 1,599,839 | 7,056,990 |
| 374: Outside Services Legal | 936 | - | - | - | - | - | - | 936 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 5,124 | 19,085 | 29,125 | 32,171 | 36,104 | 39,286 | 45,125 | 206,019 |
| 610: Expenses - General | 464 | - | - | - | - | - | - | 464 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,395 | 16,026 | 16,026 | 16,026 | 16,026 | 16,026 | 16,026 | 99,554 |
| 914: Pension and Benefits | 7,931 | 39,141 | 39,141 | 39,141 | 39,141 | 39,141 | 39,141 | 242,774 |
| 915: Injuries and Damages | 8,806 | 41,643 | 41,643 | 41,643 | 41,643 | 41,643 | 41,643 | 258,667 |
| 921: Stores Load | 13,838 | - | - | - | - | - | - | 13,838 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 237,151 | 379,960 | 70,565 | 70,565 | 70,565 | 70,565 | 180,590 | 1,079,959 |
| 926: A&G Loads | 25,018 | 39,154 | 6,483 | 6,483 | 6,483 | 6,483 | 18,102 | 108,207 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 2,842,838 | 4,450,444 | 851,312 | 854,358 | 858,292 | 861,473 | 2,150,786 | 12,869,503 |

## Project No: 10528223 Grid Mod - ADMS

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,306,046 | 105,160 | 105,160 | 105,160 | 105,160 | 105,160 | 105,160 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,496,050 | - | - | - | - | - | - |
| 370: Outside Services | 7,056,990 | 305,295 | 305,295 | 305,295 | 305,295 | 305,295 | 305,295 |
| 374: Outside Services Legal | 936 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 206,019 | 50,056 | 50,831 | 55,187 | 57,117 | 61,228 | 63,226 |
| 610: Expenses - General | 464 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 99,554 | 8,686 | 8,686 | 8,686 | 8,686 | 8,686 | 8,686 |
| 914: Pension and Benefits | 242,774 | 19,970 | 19,970 | 19,970 | 19,970 | 19,970 | 19,970 |
| 915: Injuries and Damages | 258,667 | 19,938 | 19,938 | 19,938 | 19,938 | 19,938 | 19,938 |
| 921: Stores Load | 13,838 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 1,079,959 | 34,245 | 34,245 | 34,245 | 34,245 | 34,245 | 34,245 |
| 926: A&G Loads | 108,207 | 4,105 | 4,105 | 4,105 | 4,105 | 4,105 | 4,105 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 12,869,503 | 547,455 | 548,230 | 552,586 | 554,516 | 558,627 | 560,625 |

## Project No: 10528223 Grid Mod - ADMS

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 105,160 | 105,160 | 105,160 | 2,252,486 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 2,496,050 |
| 370: Outside Services | 305,295 | 305,295 | 305,295 | 9,804,645 |
| 374: Outside Services Legal | - | - | - | 936 |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | 65,707 | 68,342 | 70,321 | 748,034 |
| 610: Expenses - General | - | - | - | 464 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 8,686 | 8,686 | 8,686 | 177,729 |
| 914: Pension and Benefits | 19,970 | 19,970 | 19,970 | 422,503 |
| 915: Injuries and Damages | 19,938 | 19,938 | 19,938 | 438,112 |
| 921: Stores Load | - | - | - | 13,838 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 34,245 | 34,245 | 34,245 | 1,388,165 |
| 926: A&G Loads | 4,105 | 4,105 | 4,105 | 145,148 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 563,106 | 565,741 | 567,720 | 17,888,110 |

## Project No: 10528223 Grid Mod - ADMS

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,252,486 | 105,160 | 105,160 | 105,160 | 2,567,966 | 105,160 | 105,160 | 105,160 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,496,050 | - | - | - | 2,496,050 | - | - | - |
| 370: Outside Services | 9,804,645 | 305,295 | 305,295 | 305,295 | 10,720,530 | 376,141 | 376,141 | 376,141 |
| 374: Outside Services Legal | 936 | - | - | - | 936 | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 748,034 | 72,183 | 75,714 | 78,065 | 973,997 | 64,041 | 65,383 | 70,549 |
| 610: Expenses - General | 464 | - | - | - | 464 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 177,729 | 8,686 | 8,686 | 8,686 | 203,788 | 8,686 | 8,686 | 8,686 |
| 914: Pension and Benefits | 422,503 | 19,970 | 19,970 | 19,970 | 482,412 | 19,970 | 19,970 | 19,970 |
| 915: Injuries and Damages | 438,112 | 19,938 | 19,938 | 19,938 | 497,927 | 19,938 | 19,938 | 19,938 |
| 921: Stores Load | 13,838 | - | - | - | 13,838 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 1,388,165 | 34,245 | 34,245 | 34,245 | 1,490,901 | 45,624 | 45,624 | 45,624 |
| 926: A&G Loads | 145,148 | 4,105 | 4,105 | 4,105 | 157,462 | 4,813 | 4,813 | 4,813 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (4,065,325) | (4,065,325) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 17,888,110 | 569,582 | 573,113 | (3,489,861) | 15,540,944 | 644,374 | 645,716 | 650,882 |

## Project No: 10528223 Grid Mod - ADMS

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 105,160 | 105,160 | 105,160 | 105,160 | 105,160 | 105,160 | 3,514,406 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,496,050 |
| 370: Outside Services | 376,141 | 376,141 | 376,141 | 376,141 | 376,141 | 376,141 | 14,105,799 |
| 374: Outside Services Legal | - | - | - | - | - | - | 936 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 72,948 | 73,640 | 78,467 | 81,365 | 83,990 | 86,499 | 1,650,880 |
| 610: Expenses - General | - | - | - | - | - | - | 464 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,686 | 8,686 | 8,686 | 8,686 | 8,686 | 8,686 | 281,964 |
| 914: Pension and Benefits | 19,970 | 19,970 | 19,970 | 19,970 | 19,970 | 19,970 | 662,141 |
| 915: Injuries and Damages | 19,938 | 19,938 | 19,938 | 19,938 | 19,938 | 19,938 | 677,372 |
| 921: Stores Load | - | - | - | - | - | - | 13,838 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 45,624 | 45,624 | 45,624 | 45,624 | 45,624 | 45,624 | 1,901,517 |
| 926: A&G Loads | 4,813 | 4,813 | 4,813 | 4,813 | 4,813 | 4,813 | 200,779 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (4,065,325) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 653,280 | 653,973 | 658,799 | 661,697 | 664,323 | 666,832 | 21,440,819 |

## Project No: 10528323 Grid Mod - Data Mgmt & Architecture

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 105 | PNM Grid Modernization |

**Project Information**

| | | | |
|---|---|---|---|
| County % | Bernalillo | 100% | |

Estimated Start Date 7/1/2023

Estimated Completion Date 12/31/2029

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10528323** **Grid Mod - Data Mgmt & Architecture**

Project Need Justification

0

**Project No:** **10528323** **Grid Mod - Data Mgmt & Architecture**

Project Alternatives

0

**Project No:** **10528323** **Grid Mod - Data Mgmt & Architecture**

Project Estimate Approach

0

**Project No:** **10528323** **Grid Mod - Data Mgmt & Architecture**

Customer Benefit

0

**Project No:** **10528323** **Grid Mod - Data Mgmt & Architecture**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10528323** **Grid Mod - Data Mgmt & Architecture**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10528323 Grid Mod - Data Mgmt & Architecture

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 49 | 102,299 | 102,299 | 102,299 | 102,299 | 102,299 | 708,025 | 1,219,569 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 979,813 | 754,971 | 278,399 | 258,088 | 722,137 | 177,619 | 177,619 | 3,348,646 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 36,654 | 6,266 | 9,081 | 10,801 | 13,772 | 16,317 | 19,662 | 112,552 |
| 610: Expenses - General | 2,724,010 | - | - | - | - | - | - | 2,724,010 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 7,795 | 7,795 | 7,795 | 7,795 | 7,795 | 53,952 | 92,931 |
| 914: Pension and Benefits | 8 | 19,038 | 19,038 | 19,038 | 19,038 | 19,038 | 131,763 | 226,961 |
| 915: Injuries and Damages | 10 | 20,255 | 20,255 | 20,255 | 20,255 | 20,255 | 140,189 | 241,475 |
| 921: Stores Load | 10,654 | - | - | - | - | - | - | 10,654 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 93,116 | 85,643 | 40,511 | 38,588 | 82,533 | 30,967 | 114,734 | 486,093 |
| 926: A&G Loads | 159,527 | 8,573 | 3,807 | 3,604 | 8,244 | 2,799 | 8,856 | 195,411 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,836,534) | - | - | - | - | - | (3,630,633) | (6,467,167) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 1,167,311 | 1,004,839 | 481,186 | 460,468 | 976,074 | 377,090 | (2,275,833) | 2,191,135 |

## Project No: 10528323 Grid Mod - Data Mgmt & Architecture

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,219,569 | 75,715 | 75,715 | 75,715 | 75,715 | 75,715 | 75,715 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 3,348,646 | 124,019 | 133,037 | 226,890 | 147,956 | 133,037 | 191,147 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 112,552 | 8,821 | 9,595 | 11,276 | 12,527 | 14,080 | 15,261 |
| 610: Expenses - General | 2,724,010 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 92,931 | 6,254 | 6,254 | 6,254 | 6,254 | 6,254 | 6,254 |
| 914: Pension and Benefits | 226,961 | 14,378 | 14,378 | 14,378 | 14,378 | 14,378 | 14,378 |
| 915: Injuries and Damages | 241,475 | 14,356 | 14,356 | 14,356 | 14,356 | 14,356 | 14,356 |
| 921: Stores Load | 10,654 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 486,093 | 17,510 | 18,183 | 25,184 | 19,296 | 18,183 | 22,518 |
| 926: A&G Loads | 195,411 | 1,997 | 2,088 | 3,026 | 2,237 | 2,088 | 2,669 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,467,167) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 2,191,135 | 263,050 | 273,606 | 377,079 | 292,718 | 278,091 | 342,298 |

## Project No: 10528323 Grid Mod - Data Mgmt & Architecture

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 75,715 | 75,715 | 75,715 | 1,901,004 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 112,214 | 133,037 | 231,877 | 4,781,860 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | 16,516 | 17,692 | 18,960 | 237,281 |
| 610: Expenses - General | - | - | - | 2,724,010 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 6,254 | 6,254 | 6,254 | 149,218 |
| 914: Pension and Benefits | 14,378 | 14,378 | 14,378 | 356,365 |
| 915: Injuries and Damages | 14,356 | 14,356 | 14,356 | 370,675 |
| 921: Stores Load | - | - | - | 10,654 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 16,630 | 18,183 | 25,556 | 667,336 |
| 926: A&G Loads | 1,879 | 2,088 | 3,076 | 216,557 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (6,467,167) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 257,942 | 281,702 | 390,173 | 4,947,794 |

## Project No: 10528323 Grid Mod - Data Mgmt & Architecture

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,901,004 | 75,715 | 75,715 | 75,715 | 2,128,149 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,781,860 | 133,037 | 71,484 | 1,003,045 | 5,989,426 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 237,281 | 20,193 | 21,551 | 24,492 | 303,517 | - | - | - |
| 610: Expenses - General | 2,724,010 | - | - | - | 2,724,010 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 149,218 | 6,254 | 6,254 | 6,254 | 167,980 | - | - | - |
| 914: Pension and Benefits | 356,365 | 14,378 | 14,378 | 14,378 | 399,500 | - | - | - |
| 915: Injuries and Damages | 370,675 | 14,356 | 14,356 | 14,356 | 413,742 | - | - | - |
| 921: Stores Load | 10,654 | - | - | - | 10,654 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 667,336 | 18,183 | 13,591 | 83,086 | 782,196 | - | - | - |
| 926: A&G Loads | 216,557 | 2,088 | 1,472 | 10,788 | 230,904 | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,467,167) | - | - | (6,675,390) | (13,142,556) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 4,947,794 | 284,203 | 218,801 | (5,443,277) | 7,522 | - | - | - |

## Project No: 10528323 Grid Mod - Data Mgmt & Architecture

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,128,149 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 5,989,426 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | 303,517 |
| 610: Expenses - General | - | - | - | - | - | - | 2,724,010 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 167,980 |
| 914: Pension and Benefits | - | - | - | - | - | - | 399,500 |
| 915: Injuries and Damages | - | - | - | - | - | - | 413,742 |
| 921: Stores Load | - | - | - | - | - | - | 10,654 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 782,196 |
| 926: A&G Loads | - | - | - | - | - | - | 230,904 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (13,142,556) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 7,522 |

## Project No: 10534224 Grid Mod - Telecommunications

Company: 001 Electric Services
Location: 105 PNM Grid Modernization

**Project Information** County % Total System 100%

Estimated Start Date 8/15/2024

Estimated Completion Date 12/31/2030

Description

Activity for this project is addressed by the proceedings for NMPRC Case No. 22-00058-UT (Public Service Company of New Mexico's Application for Authorization to Implement Grid Modernization Components That Include Advance Metering Infrastructure and Application to Recover the Associated Costs Through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief) and succeeding annual proceedings.

**Project No:** **10534224** **Grid Mod - Telecommunications**

Project Need Justification

0

**Project No:** **10534224** **Grid Mod - Telecommunications**

Project Alternatives

0

**Project No:** **10534224** **Grid Mod - Telecommunications**

Project Estimate Approach

0

**Project No:** **10534224** **Grid Mod - Telecommunications**

Customer Benefit

0

**Project No:** **10534224** **Grid Mod - Telecommunications**

Primary Value Driver Grid Mod

Compliance

Customer Delivery

Energy Transition

**Project No:** **10534224** **Grid Mod - Telecommunications**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 10534224 Grid Mod - Telecommunications

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 161,227 | 10,903 | 10,297 | 59,563 | 59,563 | 110,039 | 9,086 | 420,678 |
| 120: Overtime-General | 2,591 | - | - | - | - | - | - | 2,591 |
| 350: Material Issues-Major | 2,012,530 | 72,686 | 68,648 | 60,572 | 237,241 | 131,239 | 60,572 | 2,643,488 |
| 370: Outside Services | 1,071,951 | 141,335 | 100,953 | 1,686,171 | 1,418,475 | 2,240,860 | - | 6,659,745 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 51,834 | - | - | - | - | - | - | 51,834 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 8,904 | 3,152 | 361 | 3,546 | 3,438 | 4,982 | 10,149 | 34,531 |
| 610: Expenses - General | 61,538 | 1,363 | 1,287 | 1,136 | 1,136 | 1,136 | 1,136 | 68,732 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 12,262 | 831 | 785 | 4,539 | 4,539 | 8,385 | 692 | 32,032 |
| 914: Pension and Benefits | 30,097 | 2,029 | 1,916 | 11,085 | 11,085 | 20,478 | 1,691 | 78,381 |
| 915: Injuries and Damages | 31,497 | 2,159 | 2,039 | 11,793 | 11,793 | 21,788 | 1,799 | 82,868 |
| 921: Stores Load | 11,778 | - | - | - | - | - | - | 11,778 |
| 922: Minor Material Load | 3,979 | - | - | - | - | - | - | 3,979 |
| 925: E&S Loads | 48,370 | 21,905 | 17,607 | 173,761 | 165,141 | 239,963 | 7,100 | 673,847 |
| 926: A&G Loads | 105,876 | 2,263 | 1,812 | 18,074 | 17,164 | 24,833 | 708 | 170,730 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,895,862) | (956,632) | (191,331) | (1,888,372) | (1,794,746) | - | - | (7,726,942) |
| 825: Closing Cost of Removal | - | (17,883) | (14,374) | (141,869) | (134,830) | - | - | (308,955) |
| Project Net | 718,572 | (715,890) | 0 | - | - | 2,803,702 | 92,933 | 2,899,317 |

## Project No: 10534224 Grid Mod - Telecommunications

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 420,678 | 13,507 | 15,096 | 147,767 | 15,096 | 139,201 | 18,274 |
| 120: Overtime-General | 2,591 | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,643,488 | 71,858 | 80,311 | 162,506 | 80,311 | 157,373 | 97,219 |
| 370: Outside Services | 6,659,745 | 9,628 | 10,761 | 2,160,790 | 10,761 | 1,899,265 | 13,026 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 51,834 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 34,531 | 10,484 | 215 | 4,976 | 223 | 4,559 | 278 |
| 610: Expenses - General | 68,732 | 1,287 | 1,439 | 1,439 | 1,439 | 1,514 | 1,741 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 32,032 | 1,116 | 1,247 | 12,206 | 1,247 | 11,498 | 1,509 |
| 914: Pension and Benefits | 78,381 | 2,565 | 2,867 | 28,061 | 2,867 | 26,434 | 3,470 |
| 915: Injuries and Damages | 82,868 | 2,561 | 2,862 | 28,017 | 2,862 | 26,393 | 3,465 |
| 921: Stores Load | 11,778 | - | - | - | - | - | - |
| 922: Minor Material Load | 3,979 | - | - | - | - | - | - |
| 925: E&S Loads | 673,847 | 7,648 | 8,548 | 189,543 | 8,548 | 168,721 | 10,347 |
| 926: A&G Loads | 170,730 | 963 | 1,076 | 24,725 | 1,076 | 21,974 | 1,303 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,726,942) | (2,808,767) | (115,727) | (2,567,175) | (115,736) | (2,285,265) | (140,108) |
| 825: Closing Cost of Removal | (308,955) | (209,485) | (8,694) | (192,854) | (8,694) | (171,666) | (10,525) |
| Project Net | 2,899,317 | (2,896,635) | - | - | - | - | 0 |

## Project No: 10534224 Grid Mod - Telecommunications

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 103,958 | 17,479 | 15,890 | 906,946 |
| 120: Overtime-General | - | - | - | 2,591 |
| 350: Material Issues-Major | 142,522 | 92,992 | 84,538 | 3,613,118 |
| 370: Outside Services | 1,180,544 | 12,460 | 11,327 | 11,968,307 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 51,834 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | 2,977 | 269 | 243 | 58,756 |
| 610: Expenses - General | 1,741 | 1,666 | 1,514 | 82,512 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 8,587 | 1,444 | 1,313 | 72,198 |
| 914: Pension and Benefits | 19,742 | 3,319 | 3,018 | 170,724 |
| 915: Injuries and Damages | 19,710 | 3,314 | 3,013 | 175,064 |
| 921: Stores Load | - | - | - | 11,778 |
| 922: Minor Material Load | - | - | - | 3,979 |
| 925: E&S Loads | 110,170 | 9,897 | 8,998 | 1,196,267 |
| 926: A&G Loads | 14,288 | 1,246 | 1,133 | 238,512 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (1,492,150) | (134,019) | (121,834) | (17,507,723) |
| 825: Closing Cost of Removal | (112,088) | (10,067) | (9,152) | (1,042,181) |
| Project Net | - | (0) | - | 2,682 |

## Project No: 10534224 Grid Mod - Telecommunications

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 906,946 | 15,890 | 15,890 | 15,890 | 954,616 | 19,068 | 96,025 | 22,246 |
| 120: Overtime-General | 2,591 | - | - | - | 2,591 | - | - | - |
| 350: Material Issues-Major | 3,613,118 | 84,538 | 84,538 | 84,538 | 3,866,732 | 101,446 | 144,886 | 118,354 |
| 370: Outside Services | 11,968,307 | 11,327 | 11,327 | 11,327 | 12,002,288 | 13,592 | 893,392 | 15,858 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 51,834 | - | - | - | 51,834 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 58,756 | 242 | 246 | 740 | 59,984 | 1,286 | 2,388 | 355 |
| 610: Expenses - General | 82,512 | 1,514 | 1,514 | 1,514 | 87,054 | 1,817 | 1,969 | 2,120 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 72,198 | 1,313 | 1,313 | 1,313 | 76,136 | 1,575 | 7,932 | 1,838 |
| 914: Pension and Benefits | 170,724 | 3,018 | 3,018 | 3,018 | 179,776 | 3,621 | 18,235 | 4,225 |
| 915: Injuries and Damages | 175,064 | 3,013 | 3,013 | 3,013 | 184,103 | 3,615 | 18,206 | 4,218 |
| 921: Stores Load | 11,778 | - | - | - | 11,778 | - | - | - |
| 922: Minor Material Load | 3,979 | - | - | - | 3,979 | - | - | - |
| 925: E&S Loads | 1,196,267 | 8,998 | 8,998 | 8,998 | 1,223,260 | 12,462 | 101,654 | 14,539 |
| 926: A&G Loads | 238,512 | 1,133 | 1,133 | 1,133 | 241,910 | 1,359 | 11,363 | 1,586 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (17,507,723) | (121,832) | - | - | (17,629,555) | (392,909) | (1,205,493) | (172,388) |
| 825: Closing Cost of Removal | (1,042,181) | (9,152) | - | - | (1,051,333) | (29,403) | (90,556) | (12,949) |
| Project Net | 2,682 | - | 130,988 | 131,482 | 265,152 | (262,470) | - | (0) |

**Project No:** **10534224** **Grid Mod - Telecommunications**

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 243,577 | 23,041 | 138,276 | 23,041 | 138,276 | 23,041 | 1,681,207 |
| 120: Overtime-General | - | - | - | - | - | - | 2,591 |
| 350: Material Issues-Major | 238,731 | 122,581 | 187,339 | 122,581 | 187,339 | 122,581 | 5,212,570 |
| 370: Outside Services | 3,134,029 | 16,424 | 1,678,227 | 16,424 | 1,678,227 | 16,424 | 19,464,885 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 51,834 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 7,806 | 356 | 4,339 | 367 | 4,344 | 366 | 81,591 |
| 610: Expenses - General | 2,120 | 2,196 | 2,196 | 2,196 | 2,196 | 2,196 | 106,060 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 20,119 | 1,903 | 11,422 | 1,903 | 11,422 | 1,903 | 136,152 |
| 914: Pension and Benefits | 46,255 | 4,375 | 26,259 | 4,375 | 26,259 | 4,375 | 317,756 |
| 915: Injuries and Damages | 46,182 | 4,369 | 26,217 | 4,369 | 26,217 | 4,369 | 321,864 |
| 921: Stores Load | - | - | - | - | - | - | 11,778 |
| 922: Minor Material Load | - | - | - | - | - | - | 3,979 |
| 925: E&S Loads | 321,240 | 15,058 | 178,221 | 15,058 | 178,221 | 15,058 | 2,074,771 |
| 926: A&G Loads | 36,185 | 1,642 | 20,060 | 1,642 | 20,060 | 1,642 | 337,450 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,810,054) | (178,535) | (2,113,781) | (178,546) | (2,113,786) | (178,544) | (27,973,590) |
| 825: Closing Cost of Removal | (286,191) | (13,411) | (158,775) | (13,411) | (158,775) | (13,411) | (1,828,216) |
| Project Net | - | 0 | (0) | - | - | - | 2,682 |

## Project No: 14000607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 140 East Mountain Division

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 14000607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **14000607** **Distr. Remove & Replace**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative. |

## Project No: 14000607 Distr. Remove & Replace

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of our facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **14000607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increased equipment reliability by maintaining the distribution system integrity through the replacement of damaged equipment and equipment taken out of service by storms, other events or deteriorated equipment through normal aging. |

## Project No: 14000607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **14000607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 14000607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 360,591 | - | - | - | - | - | - | 360,591 |
| 120: Overtime-General | 229,704 | - | - | - | - | - | - | 229,704 |
| 350: Material Issues-Major | 818,500 | - | - | - | - | - | - | 818,500 |
| 370: Outside Services | 2,250,440 | - | - | - | - | - | - | 2,250,440 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 11,656 | - | - | - | - | - | - | 11,656 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 209,639 | - | - | - | - | - | - | 209,639 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (263,444) | - | - | - | - | - | - | (263,444) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,265 | - | - | - | - | - | - | 44,265 |
| 914: Pension and Benefits | 147,823 | - | - | - | - | - | - | 147,823 |
| 915: Injuries and Damages | 56,587 | - | - | - | - | - | - | 56,587 |
| 921: Stores Load | 49,605 | - | - | - | - | - | - | 49,605 |
| 922: Minor Material Load | 102,139 | - | - | - | - | - | - | 102,139 |
| 925: E&S Loads | 468,665 | - | - | - | - | - | - | 468,665 |
| 926: A&G Loads | 188,664 | - | - | - | - | - | - | 188,664 |
| 928: AFUDC Debt | 78 | - | - | - | - | - | - | 78 |
| 929: AFUDC Equity | 129 | - | - | - | - | - | - | 129 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,777,800) | (8,396) | (7,389) | (6,502) | (5,722) | (5,035) | (4,431) | (3,815,275) |
| 825: Closing Cost of Removal | (745,449) | (9,819) | (8,640) | (7,604) | (6,691) | (5,888) | (5,182) | (789,272) |
| Project Net | 151,790 | (18,215) | (16,029) | (14,106) | (12,413) | (10,923) | (9,613) | 70,492 |

**Project No:** **14000607** **Distr. Remove & Replace**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 360,591 | - | - | - | - | - | - |
| 120: Overtime-General | 229,704 | - | - | - | - | - | - |
| 350: Material Issues-Major | 818,500 | - | - | - | - | - | - |
| 370: Outside Services | 2,250,440 | 43,547 | 43,547 | 43,547 | 43,547 | 43,547 | 43,547 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 11,656 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 209,639 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (263,444) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,265 | - | - | - | - | - | - |
| 914: Pension and Benefits | 147,823 | - | - | - | - | - | - |
| 915: Injuries and Damages | 56,587 | - | - | - | - | - | - |
| 921: Stores Load | 49,605 | - | - | - | - | - | - |
| 922: Minor Material Load | 102,139 | - | - | - | - | - | - |
| 925: E&S Loads | 468,665 | 3,048 | 3,048 | 3,048 | 3,048 | 3,048 | 3,048 |
| 926: A&G Loads | 188,664 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 |
| 928: AFUDC Debt | 78 | - | - | - | - | - | - |
| 929: AFUDC Equity | 129 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,815,275) | (9,282) | (13,550) | (17,306) | (20,612) | (23,521) | (26,080) |
| 825: Closing Cost of Removal | (789,272) | (4,965) | (4,774) | (4,606) | (4,459) | (4,329) | (4,215) |
| Project Net | 70,492 | 33,982 | 29,904 | 26,316 | 23,158 | 20,379 | 17,933 |

## Project No: 14000607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 360,591 |
| 120: Overtime-General | - | - | - | 229,704 |
| 350: Material Issues-Major | - | - | - | 818,500 |
| 370: Outside Services | 43,547 | 43,547 | 43,547 | 2,642,363 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 11,656 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 209,639 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (263,444) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 44,265 |
| 914: Pension and Benefits | - | - | - | 147,823 |
| 915: Injuries and Damages | - | - | - | 56,587 |
| 921: Stores Load | - | - | - | 49,605 |
| 922: Minor Material Load | - | - | - | 102,139 |
| 925: E&S Loads | 3,048 | 3,048 | 3,048 | 496,099 |
| 926: A&G Loads | 1,633 | 1,633 | 1,633 | 203,361 |
| 928: AFUDC Debt | - | - | - | 78 |
| 929: AFUDC Equity | - | - | - | 129 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (28,333) | (30,315) | (32,060) | (4,016,334) |
| 825: Closing Cost of Removal | (4,114) | (4,025) | (3,947) | (828,706) |
| Project Net | 15,781 | 13,888 | 12,221 | 264,053 |

## Project No: 14000607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 360,591 | - | - | - | 360,591 | - | - | - |
| 120: Overtime-General | 229,704 | - | - | - | 229,704 | - | - | - |
| 350: Material Issues-Major | 818,500 | - | - | - | 818,500 | - | - | - |
| 370: Outside Services | 2,642,363 | 43,547 | 43,547 | 43,547 | 2,773,004 | 42,831 | 42,831 | 42,831 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 11,656 | - | - | - | 11,656 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 209,639 | - | - | - | 209,639 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (263,444) | - | - | - | (263,444) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,265 | - | - | - | 44,265 | - | - | - |
| 914: Pension and Benefits | 147,823 | - | - | - | 147,823 | - | - | - |
| 915: Injuries and Damages | 56,587 | - | - | - | 56,587 | - | - | - |
| 921: Stores Load | 49,605 | - | - | - | 49,605 | - | - | - |
| 922: Minor Material Load | 102,139 | - | - | - | 102,139 | - | - | - |
| 925: E&S Loads | 496,099 | 3,048 | 3,048 | 3,048 | 505,244 | 2,998 | 2,998 | 2,998 |
| 926: A&G Loads | 203,361 | 1,633 | 1,633 | 1,633 | 208,260 | 1,503 | 1,503 | 1,503 |
| 928: AFUDC Debt | 78 | - | - | - | 78 | - | - | - |
| 929: AFUDC Equity | 129 | - | - | - | 129 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,016,334) | (33,595) | (34,946) | (36,135) | (4,121,010) | (37,081) | (37,913) | (38,646) |
| 825: Closing Cost of Removal | (828,706) | (3,879) | (3,819) | (3,765) | (840,169) | (3,711) | (3,663) | (3,621) |
| Project Net | 264,053 | 10,755 | 9,464 | 8,328 | 292,600 | 6,541 | 5,756 | 5,065 |

## Project No: 14000607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 360,591 |
| 120: Overtime-General | - | - | - | - | - | - | 229,704 |
| 350: Material Issues-Major | - | - | - | - | - | - | 818,500 |
| 370: Outside Services | 42,831 | 42,831 | 42,831 | 42,831 | 42,831 | 42,831 | 3,158,483 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 11,656 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 209,639 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (263,444) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 44,265 |
| 914: Pension and Benefits | - | - | - | - | - | - | 147,823 |
| 915: Injuries and Damages | - | - | - | - | - | - | 56,587 |
| 921: Stores Load | - | - | - | - | - | - | 49,605 |
| 922: Minor Material Load | - | - | - | - | - | - | 102,139 |
| 925: E&S Loads | 2,998 | 2,998 | 2,998 | 2,998 | 2,998 | 2,998 | 532,228 |
| 926: A&G Loads | 1,503 | 1,503 | 1,503 | 1,503 | 1,503 | 1,503 | 221,790 |
| 928: AFUDC Debt | - | - | - | - | - | - | 78 |
| 929: AFUDC Equity | - | - | - | - | - | - | 129 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (39,291) | (39,858) | (40,358) | (40,797) | (41,184) | (41,524) | (4,477,661) |
| 825: Closing Cost of Removal | (3,584) | (3,552) | (3,523) | (3,498) | (3,476) | (3,456) | (872,255) |
| Project Net | 4,457 | 3,922 | 3,452 | 3,038 | 2,673 | 2,352 | 329,856 |

## Project No: 14000707 Distr. system Improvements

Company: 001 Electric Services
Location: 140 East Mountain Division

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

**Project No:** **14000707** **Distr. system Improvements**

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **14000707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

**Project No:** **14000707** **Distr. system Improvements**

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **14000707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 14000707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **14000707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 14000707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 201,472 | 638 | 638 | 638 | 638 | 638 | 638 | 205,298 |
| 120: Overtime-General | 41,682 | - | - | - | - | - | - | 41,682 |
| 350: Material Issues-Major | 474,471 | 6,058 | 6,058 | 6,058 | 6,058 | 6,058 | 6,058 | 510,818 |
| 370: Outside Services | 1,347,708 | 9,246 | 9,246 | 9,246 | 9,246 | 9,246 | 9,246 | 1,403,185 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 64,098 | - | - | - | - | - | - | 64,098 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (137,369) | - | - | - | - | - | - | (137,369) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 17,790 | 49 | 49 | 49 | 49 | 49 | 49 | 18,081 |
| 914: Pension and Benefits | 58,926 | 119 | 119 | 119 | 119 | 119 | 119 | 59,639 |
| 915: Injuries and Damages | 23,282 | 126 | 126 | 126 | 126 | 126 | 126 | 24,039 |
| 921: Stores Load | 60,277 | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 | 68,560 |
| 922: Minor Material Load | 51,550 | - | - | - | - | - | - | 51,550 |
| 925: E&S Loads | 252,871 | 1,055 | 1,055 | 1,055 | 1,055 | 1,055 | 1,055 | 259,203 |
| 926: A&G Loads | 123,686 | 829 | 829 | 829 | 829 | 829 | 829 | 128,660 |
| 928: AFUDC Debt | 24,822 | 96 | 127 | 155 | 179 | 200 | 219 | 25,799 |
| 929: AFUDC Equity | 25,973 | 103 | 136 | 165 | 191 | 213 | 234 | 27,014 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,273,399) | (5,815) | (7,325) | (8,661) | (9,842) | (10,887) | (11,811) | (2,327,740) |
| 825: Closing Cost of Removal | (327,714) | (164) | (308) | (435) | (546) | (645) | (731) | (330,543) |
| Project Net | 30,127 | 13,720 | 12,130 | 10,724 | 9,481 | 8,382 | 7,411 | 91,974 |

## Project No: 14000707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 205,298 | 623 | 623 | 623 | 623 | 623 | 623 |
| 120: Overtime-General | 41,682 | - | - | - | - | - | - |
| 350: Material Issues-Major | 510,818 | 5,917 | 5,917 | 5,917 | 5,917 | 5,917 | 5,917 |
| 370: Outside Services | 1,403,185 | 9,031 | 9,031 | 9,031 | 9,031 | 9,031 | 9,031 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 64,098 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (137,369) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 18,081 | 51 | 51 | 51 | 51 | 51 | 51 |
| 914: Pension and Benefits | 59,639 | 118 | 118 | 118 | 118 | 118 | 118 |
| 915: Injuries and Damages | 24,039 | 118 | 118 | 118 | 118 | 118 | 118 |
| 921: Stores Load | 68,560 | 992 | 992 | 992 | 992 | 992 | 992 |
| 922: Minor Material Load | 51,550 | - | - | - | - | - | - |
| 925: E&S Loads | 259,203 | 1,110 | 1,110 | 1,110 | 1,110 | 1,110 | 1,110 |
| 926: A&G Loads | 128,660 | 584 | 584 | 584 | 584 | 584 | 584 |
| 928: AFUDC Debt | 25,799 | 212 | 223 | 234 | 243 | 251 | 258 |
| 929: AFUDC Equity | 27,014 | 287 | 302 | 316 | 329 | 339 | 349 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,327,740) | (12,523) | (13,153) | (13,710) | (14,203) | (14,639) | (15,025) |
| 825: Closing Cost of Removal | (330,543) | (799) | (859) | (912) | (958) | (999) | (1,035) |
| Project Net | 91,974 | 5,721 | 5,059 | 4,473 | 3,955 | 3,497 | 3,092 |

## Project No: 14000707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 623 | 623 | 623 | 210,905 |
| 120: Overtime-General | - | - | - | 41,682 |
| 350: Material Issues-Major | 5,917 | 5,917 | 5,917 | 564,071 |
| 370: Outside Services | 9,031 | 9,031 | 9,031 | 1,484,464 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 64,098 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (137,369) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 51 | 51 | 51 | 18,545 |
| 914: Pension and Benefits | 118 | 118 | 118 | 60,703 |
| 915: Injuries and Damages | 118 | 118 | 118 | 25,102 |
| 921: Stores Load | 992 | 992 | 992 | 77,490 |
| 922: Minor Material Load | - | - | - | 51,550 |
| 925: E&S Loads | 1,110 | 1,110 | 1,110 | 269,194 |
| 926: A&G Loads | 584 | 584 | 584 | 133,915 |
| 928: AFUDC Debt | 264 | 270 | 275 | 28,028 |
| 929: AFUDC Equity | 358 | 365 | 372 | 30,030 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (15,366) | (15,668) | (15,935) | (2,457,963) |
| 825: Closing Cost of Removal | (1,066) | (1,094) | (1,119) | (339,384) |
| Project Net | 2,734 | 2,418 | 2,138 | 125,062 |

## Project No: 14000707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 210,905 | 623 | 623 | 623 | 212,774 | 603 | 603 | 603 |
| 120: Overtime-General | 41,682 | - | - | - | 41,682 | - | - | - |
| 350: Material Issues-Major | 564,071 | 5,917 | 5,917 | 5,917 | 581,822 | 5,727 | 5,727 | 5,727 |
| 370: Outside Services | 1,484,464 | 9,031 | 9,031 | 9,031 | 1,511,557 | 8,740 | 8,740 | 8,740 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 64,098 | - | - | - | 64,098 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (137,369) | - | - | - | (137,369) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 18,545 | 51 | 51 | 51 | 18,699 | 50 | 50 | 50 |
| 914: Pension and Benefits | 60,703 | 118 | 118 | 118 | 61,058 | 115 | 115 | 115 |
| 915: Injuries and Damages | 25,102 | 118 | 118 | 118 | 25,457 | 114 | 114 | 114 |
| 921: Stores Load | 77,490 | 992 | 992 | 992 | 80,466 | 960 | 960 | 960 |
| 922: Minor Material Load | 51,550 | - | - | - | 51,550 | - | - | - |
| 925: E&S Loads | 269,194 | 1,110 | 1,110 | 1,110 | 272,524 | 1,074 | 1,074 | 1,074 |
| 926: A&G Loads | 133,915 | 584 | 584 | 584 | 135,667 | 529 | 529 | 529 |
| 928: AFUDC Debt | 28,028 | 279 | 283 | 286 | 28,877 | 283 | 285 | 286 |
| 929: AFUDC Equity | 30,030 | 378 | 383 | 388 | 31,178 | 447 | 449 | 451 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,457,963) | (16,171) | (16,380) | (16,565) | (2,507,080) | (16,664) | (16,751) | (16,829) |
| 825: Closing Cost of Removal | (339,384) | (1,140) | (1,159) | (1,176) | (342,859) | (1,185) | (1,193) | (1,201) |
| Project Net | 125,062 | 1,890 | 1,671 | 1,478 | 130,102 | 793 | 701 | 620 |

## Project No: 14000707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 603 | 603 | 603 | 603 | 603 | 603 | 218,201 |
| 120: Overtime-General | - | - | - | - | - | - | 41,682 |
| 350: Material Issues-Major | 5,727 | 5,727 | 5,727 | 5,727 | 5,727 | 5,727 | 633,365 |
| 370: Outside Services | 8,740 | 8,740 | 8,740 | 8,740 | 8,740 | 8,740 | 1,590,217 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 64,098 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (137,369) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 50 | 50 | 50 | 50 | 50 | 50 | 19,147 |
| 914: Pension and Benefits | 115 | 115 | 115 | 115 | 115 | 115 | 62,089 |
| 915: Injuries and Damages | 114 | 114 | 114 | 114 | 114 | 114 | 26,486 |
| 921: Stores Load | 960 | 960 | 960 | 960 | 960 | 960 | 89,109 |
| 922: Minor Material Load | - | - | - | - | - | - | 51,550 |
| 925: E&S Loads | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 282,194 |
| 926: A&G Loads | 529 | 529 | 529 | 529 | 529 | 529 | 140,427 |
| 928: AFUDC Debt | 287 | 288 | 289 | 290 | 291 | 292 | 31,469 |
| 929: AFUDC Equity | 453 | 455 | 457 | 458 | 459 | 460 | 35,268 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (16,897) | (16,958) | (17,011) | (17,059) | (17,101) | (17,138) | (2,659,489) |
| 825: Closing Cost of Removal | (1,207) | (1,213) | (1,218) | (1,222) | (1,226) | (1,229) | (353,753) |
| Project Net | 549 | 485 | 429 | 380 | 336 | 297 | 134,693 |

## Project No: 15000508 Lighting T&D

Company: 001 Electric Services
Location: 150 TNMP NM Dist General

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2032

| County % | |
|---|---|
| Grant | 20% |
| Hidalgo | 20% |
| Lincoln | 20% |
| Luna | 20% |
| Otero | 20% |

Description

This project includes costs for the installation, relocation, removal or replacement of PNM owned street lighting and floodlighting, and the removal or replacement of private area lighting. This work includes poles, light fixtures, wiring, and ancillary lighting equipment. The poles may be either wood or aluminum ranging in size from 30 to 45 feet. Fixtures include high pressure sodium lights ranging from 70 to 400 watts per fixture and LED lights ranging from 25 to 300 watts. For PNM owned streetlights, this will include the installation of 150 feet of service wire and the light. All street lighting and floodlighting systems installed will adhere to PNM equipment standards provided in Rate Schedule 20 allowing for efficient and effective maintenance in the future.

## Project No: 15000508 Lighting T&D

Project Need Justification

This project provides the funds necessary to meet PNM's contractual obligations with municipal corporations and subdivisions within the state of New Mexico and service requirements allowed under the rate schedules. This project will allow PNM to install streetlighting and flood lighting systems in accordance with PNM Rate Schedule 20 Integrated System Streetlighting and Flood Lighting Service – New Installations and PNM Rate Schedule 6 Private Area Lighting Service

**Project No:** **15000508** **Lighting T&D**

Project Alternatives

Due to contractual obligations and requirements under the rate schedules, there are no other alternative methods for this project. Under Rate Schedule 20, customers have the option to own streetlights and pay PNM or a contractor for their installation, or to request that PNM install and own the lights. Customers may request installation of LED lights, high pressure sodium lights, or LED operational substitutes for converting existing mercury vapor, high pressure sodium, or low pressure sodium lights. Under Rate Schedule 6 and the terms of the Agreement for Lighting Service thereunder, private lights are removed at the customer's request and at PNM's costs. PNM must honor installation requests under PNM Rate 20.

**Project No:** **15000508** **Lighting T&D**

| | |
|---|---|
| Project Estimate Approach | Historical spend in this funding project was analyzed to develop this project's estimated future spend. This blanket's project spend forecast is prepared by escalating the most recent 12-month actual spend by labor and non-labor escalation rates. |

**Project No:** **15000508** **Lighting T&D**

| | |
|---|---|
| Customer Benefit | The customer benefit from this project is electric service for their streetlighting and/or floodlighting needs. |

## Project No: 15000508 Lighting T&D

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This project is implemented in accordance with PNM Rate Schedule 20 - Integrated System StreetLighting and Floodlighting Service, and PNM Rate Schedule 6 - Private Area Lighting Service and new installations. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15000508** **Lighting T&D**

General Services

Reliability & Resiliency

Safety & Security

This project includes the installation of new and replacement of damage streetlighting facilities thus supporting and restoring the public safety benefits of streetlighting and floodlighting.

Technology Advancements

## Project No: 15000508 Lighting T&D

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 184,023 | 18 | 26 | 5 | 45 | 47 | 9 | 184,173 |
| 120: Overtime-General | 12,132 | - | - | - | - | - | - | 12,132 |
| 350: Material Issues-Major | 569,629 | 23,000 | 23,000 | 20,000 | 3,000 | 16,000 | 16,000 | 670,629 |
| 370: Outside Services | 67,508 | 264 | 384 | 72 | 653 | 676 | 134 | 69,690 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 141,893 | - | - | - | - | - | - | 141,893 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (18,745) | - | - | - | - | - | - | (18,745) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 15,477 | 1 | 2 | 0 | 3 | 4 | 1 | 15,488 |
| 914: Pension and Benefits | 37,099 | 3 | 5 | 1 | 8 | 9 | 2 | 37,127 |
| 915: Injuries and Damages | 35,740 | 4 | 5 | 1 | 9 | 9 | 2 | 35,770 |
| 921: Stores Load | 19,208 | 5,241 | 5,241 | 4,558 | 684 | 3,646 | 3,646 | 42,223 |
| 922: Minor Material Load | 88,280 | - | - | - | - | - | - | 88,280 |
| 925: E&S Loads | 80,070 | 1,514 | 1,522 | 1,305 | 242 | 1,088 | 1,050 | 86,791 |
| 926: A&G Loads | 47,239 | 1,211 | 1,217 | 1,044 | 192 | 870 | 839 | 52,612 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (955,870) | (38,382) | (36,271) | (33,701) | (26,984) | (25,558) | (24,318) | (1,141,085) |
| 825: Closing Cost of Removal | (119,043) | (15,874) | (12,729) | (10,235) | (7,959) | (6,488) | (5,345) | (177,674) |
| Project Net | 204,639 | (23,000) | (17,596) | (16,951) | (30,108) | (9,699) | (7,980) | 99,306 |

## Project No: 15000508 Lighting T&D

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 184,173 | 901 | 1,263 | 1,077 | 1,111 | 997 | 608 |
| 120: Overtime-General | 12,132 | - | - | - | - | - | - |
| 350: Material Issues-Major | 670,629 | 8,559 | 11,999 | 10,230 | 10,559 | 9,475 | 5,774 |
| 370: Outside Services | 69,690 | 13,064 | 18,315 | 15,615 | 16,116 | 14,463 | 8,813 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 141,893 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (18,745) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 15,488 | 74 | 104 | 89 | 92 | 82 | 50 |
| 914: Pension and Benefits | 37,127 | 171 | 240 | 205 | 211 | 189 | 115 |
| 915: Injuries and Damages | 35,770 | 171 | 239 | 204 | 211 | 189 | 115 |
| 921: Stores Load | 42,223 | 1,435 | 2,012 | 1,715 | 1,771 | 1,589 | 968 |
| 922: Minor Material Load | 88,280 | - | - | - | - | - | - |
| 925: E&S Loads | 86,791 | 1,606 | 2,251 | 1,919 | 1,981 | 1,778 | 1,083 |
| 926: A&G Loads | 52,612 | 845 | 1,184 | 1,010 | 1,042 | 935 | 570 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,141,085) | (24,463) | (26,881) | (27,557) | (28,297) | (28,141) | (25,540) |
| 825: Closing Cost of Removal | (177,674) | (4,548) | (4,107) | (3,679) | (3,365) | (3,070) | (2,655) |
| Project Net | 99,306 | (2,184) | 6,620 | 829 | 1,430 | (1,513) | (10,097) |

## Project No: 15000508 Lighting T&D

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 571 | 831 | 156 | 191,688 |
| 120: Overtime-General | - | - | - | 12,132 |
| 350: Material Issues-Major | 5,425 | 7,895 | 1,482 | 742,027 |
| 370: Outside Services | 8,281 | 12,051 | 2,261 | 178,669 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 141,893 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (18,745) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 47 | 69 | 13 | 16,109 |
| 914: Pension and Benefits | 108 | 158 | 30 | 38,554 |
| 915: Injuries and Damages | 108 | 158 | 30 | 37,195 |
| 921: Stores Load | 910 | 1,324 | 249 | 54,195 |
| 922: Minor Material Load | - | - | - | 88,280 |
| 925: E&S Loads | 1,018 | 1,481 | 278 | 100,186 |
| 926: A&G Loads | 535 | 779 | 146 | 59,658 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (23,303) | (23,236) | (18,885) | (1,367,386) |
| 825: Closing Cost of Removal | (2,318) | (2,183) | (1,756) | (205,354) |
| Project Net | (8,617) | (674) | (15,997) | 69,102 |

## Project No: 15000508 Lighting T&D

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 191,688 | 1,414 | 1,465 | 290 | 194,857 | 910 | 1,276 | 1,088 |
| 120: Overtime-General | 12,132 | - | - | - | 12,132 | - | - | - |
| 350: Material Issues-Major | 742,027 | 13,432 | 13,913 | 2,754 | 772,126 | 8,645 | 12,119 | 10,333 |
| 370: Outside Services | 178,669 | 20,501 | 21,236 | 4,204 | 224,610 | 13,194 | 18,498 | 15,771 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 141,893 | - | - | - | 141,893 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (18,745) | - | - | - | (18,745) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 16,109 | 117 | 121 | 24 | 16,371 | 75 | 105 | 90 |
| 914: Pension and Benefits | 38,554 | 269 | 278 | 55 | 39,156 | 173 | 242 | 207 |
| 915: Injuries and Damages | 37,195 | 268 | 278 | 55 | 37,796 | 173 | 242 | 206 |
| 921: Stores Load | 54,195 | 2,252 | 2,333 | 462 | 59,242 | 1,450 | 2,032 | 1,733 |
| 922: Minor Material Load | 88,280 | - | - | - | 88,280 | - | - | - |
| 925: E&S Loads | 100,186 | 2,520 | 2,610 | 517 | 105,833 | 1,622 | 2,274 | 1,939 |
| 926: A&G Loads | 59,658 | 1,326 | 1,373 | 272 | 62,629 | 798 | 1,119 | 954 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,367,386) | (23,546) | (27,458) | (22,989) | (1,441,380) | (23,485) | (26,192) | (27,082) |
| 825: Closing Cost of Removal | (205,354) | (2,030) | (2,265) | (1,883) | (211,532) | (1,885) | (2,062) | (2,108) |
| Project Net | 69,102 | 16,522 | 13,884 | (16,240) | 83,268 | 1,669 | 9,654 | 3,131 |

## Project No: 15000508 Lighting T&D

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,123 | 1,007 | 614 | 577 | 839 | 158 | 202,449 |
| 120: Overtime-General | - | - | - | - | - | - | 12,132 |
| 350: Material Issues-Major | 10,665 | 9,570 | 5,832 | 5,480 | 7,974 | 1,496 | 844,240 |
| 370: Outside Services | 16,277 | 14,607 | 8,901 | 8,364 | 12,171 | 2,284 | 334,677 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 141,893 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (18,745) |
| 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 | 83 | 51 | 48 | 69 | 13 | 16,998 |
| 914: Pension and Benefits | 213 | 191 | 117 | 110 | 159 | 30 | 40,598 |
| 915: Injuries and Damages | 213 | 191 | 116 | 109 | 159 | 30 | 39,235 |
| 921: Stores Load | 1,788 | 1,605 | 978 | 919 | 1,337 | 251 | 71,335 |
| 922: Minor Material Load | - | - | - | - | - | - | 88,280 |
| 925: E&S Loads | 2,001 | 1,795 | 1,094 | 1,028 | 1,496 | 281 | 119,363 |
| 926: A&G Loads | 985 | 884 | 539 | 506 | 737 | 138 | 69,290 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (27,988) | (27,954) | (25,426) | (23,245) | (23,233) | (18,891) | (1,664,876) |
| 825: Closing Cost of Removal | (2,160) | (2,145) | (1,946) | (1,774) | (1,768) | (1,436) | (228,817) |
| Project Net | 3,210 | (165) | (9,130) | (7,878) | (60) | (15,646) | 68,052 |

## Project No: 15000608 Distr. Remove & Replace T&D

Company: 001 Electric Services
Location: 150 TNMP NM Dist General

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2032

| County % | | |
|---|---|---|
| | Grant | 20% |
| | Hidalgo | 20% |
| | Lincoln | 20% |
| | Luna | 20% |
| | Otero | 20% |

Description

This project includes relocations of electric distribution facilities in road rights-of-way and the removal and replacement of existing electric distribution facilities that have been damaged during storms or other events or deteriorated through normal aging. Work will include, but is not limited to, the design, installation, and removal of wire, poles, pole hardware (including insulators, cross arms, cut outs, anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 15000608 Distr. Remove & Replace T&D

Project Need Justification

This project is driven by the need to replace failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways must be relocated by PNM under terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. Regardless of facilities locations, when they become damaged or deteriorated under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

## Project No: 15000608 Distr. Remove & Replace T&D

Project Alternatives

1. Do nothing. PNM will not meet the requirements of franchise agreements and lost service will not be restored.
2. In most cases, work will involve the replacement of like-for-like equipment. Other configurations are evaluated on a case-by-case basis, taking into account the best options available.

## Project No: 15000608 Distr. Remove & Replace T&D

| | |
|---|---|
| Project Estimate Approach | Because a significant portion of the activities for this project include replacement of storm-damaged facilities, the work required is largely unknown at the time of forecast. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **15000608** **Distr. Remove & Replace T&D**

Customer Benefit

Customers benefit through outage restoration and increased reliability by maintaining system integrity through the replacement of damaged equipment and equipment taken out of service by storms or other events.

## Project No: 15000608 Distr. Remove & Replace T&D

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15000608** **Distr. Remove & Replace T&D**

General Services

Reliability & Resiliency

These pole structure replacements will help support the distribution system with reliability and resiliency in the service areas. The replacements will help with improved reliability indexes such as system average interruption duration index (SAIDI) which defines the average interruption duration per customer served per year.

Safety & Security

Technology Advancements

## Project No: 15000608 Distr. Remove & Replace T&D

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,008,533 | 5,735 | 5,735 | 5,735 | 5,735 | 5,735 | 5,735 | 2,042,944 |
| 120: Overtime-General | 644,547 | - | - | - | - | - | - | 644,547 |
| 350: Material Issues-Major | 2,869,153 | 100,579 | 100,579 | 100,579 | 100,579 | 100,579 | 100,579 | 3,472,628 |
| 370: Outside Services | 6,797,315 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 8,897,315 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | (2,500,000) | - | - | (2,500,000) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,804,815 | - | - | - | - | - | - | 1,804,815 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (167,069) | - | - | - | - | - | - | (167,069) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 208,648 | 437 | 437 | 437 | 437 | 437 | 437 | 211,270 |
| 914: Pension and Benefits | 508,854 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 1,067 | 515,258 |
| 915: Injuries and Damages | 498,442 | 1,136 | 1,136 | 1,136 | 1,136 | 1,136 | 1,136 | 505,256 |
| 921: Stores Load | 112,718 | 22,920 | 22,920 | 22,920 | 22,920 | 22,920 | 22,920 | 250,238 |
| 922: Minor Material Load | 502,463 | - | - | - | - | - | - | 502,463 |
| 925: E&S Loads | 1,017,644 | 29,832 | 29,832 | 29,832 | (132,668) | 29,832 | 29,832 | 1,034,136 |
| 926: A&G Loads | 636,784 | 23,728 | 23,728 | 23,728 | (106,272) | 23,728 | 23,728 | 649,154 |
| 928: AFUDC Debt | 24 | - | - | - | - | - | - | 24 |
| 929: AFUDC Equity | 28 | - | - | - | - | - | - | 28 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,013,006) | (562,125) | (554,424) | (547,648) | (230,042) | (262,191) | (290,483) | (12,459,918) |
| 825: Closing Cost of Removal | (2,141,598) | (136,723) | (124,814) | (114,334) | (81,654) | (76,354) | (71,689) | (2,747,165) |
| Project Net | 5,288,297 | (163,414) | (143,804) | (126,547) | (2,568,762) | 196,890 | 173,263 | 2,655,923 |

## Project No: 15000608 Distr. Remove & Replace T&D

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,042,944 | 40,465 | 40,465 | 40,465 | 40,465 | 40,465 | 40,465 |
| 120: Overtime-General | 644,547 | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,472,628 | 83,957 | 83,957 | 83,957 | 83,957 | 83,957 | 83,957 |
| 370: Outside Services | 8,897,315 | 25,848 | 25,848 | 25,848 | 25,848 | 25,848 | 25,848 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | (2,500,000) | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,804,815 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (167,069) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 211,270 | 3,342 | 3,342 | 3,342 | 3,342 | 3,342 | 3,342 |
| 914: Pension and Benefits | 515,258 | 7,684 | 7,684 | 7,684 | 7,684 | 7,684 | 7,684 |
| 915: Injuries and Damages | 505,256 | 7,672 | 7,672 | 7,672 | 7,672 | 7,672 | 7,672 |
| 921: Stores Load | 250,238 | 14,078 | 14,078 | 14,078 | 14,078 | 14,078 | 14,078 |
| 922: Minor Material Load | 502,463 | - | - | - | - | - | - |
| 925: E&S Loads | 1,034,136 | 11,828 | 11,828 | 11,828 | 11,828 | 11,828 | 11,828 |
| 926: A&G Loads | 649,154 | 5,635 | 5,635 | 5,635 | 5,635 | 5,635 | 5,635 |
| 928: AFUDC Debt | 24 | - | - | - | - | - | - |
| 929: AFUDC Equity | 28 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (12,459,918) | (278,002) | (267,018) | (257,353) | (248,847) | (241,363) | (234,776) |
| 825: Closing Cost of Removal | (2,747,165) | (64,770) | (58,682) | (53,325) | (48,610) | (44,461) | (40,810) |
| Project Net | 2,655,923 | (142,262) | (125,191) | (110,168) | (96,948) | (85,314) | (75,076) |

**Project No:** **15000608** **Distr. Remove & Replace T&D**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 40,465 | 40,465 | 40,465 | 2,407,129 |
| 120: Overtime-General | - | - | - | 644,547 |
| 350: Material Issues-Major | 83,957 | 83,957 | 83,957 | 4,228,241 |
| 370: Outside Services | 25,848 | 25,848 | 25,848 | 9,129,947 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | (2,500,000) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,804,815 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (167,069) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 3,342 | 3,342 | 3,342 | 241,352 |
| 914: Pension and Benefits | 7,684 | 7,684 | 7,684 | 584,416 |
| 915: Injuries and Damages | 7,672 | 7,672 | 7,672 | 574,305 |
| 921: Stores Load | 14,078 | 14,078 | 14,078 | 376,939 |
| 922: Minor Material Load | - | - | - | 502,463 |
| 925: E&S Loads | 11,828 | 11,828 | 11,828 | 1,140,586 |
| 926: A&G Loads | 5,635 | 5,635 | 5,635 | 699,870 |
| 928: AFUDC Debt | - | - | - | 24 |
| 929: AFUDC Equity | - | - | - | 28 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (228,980) | (223,879) | (219,390) | (14,659,526) |
| 825: Closing Cost of Removal | (37,597) | (34,770) | (32,282) | (3,162,472) |
| Project Net | (66,067) | (58,139) | (51,162) | 1,845,596 |

## Project No: 15000608 Distr. Remove & Replace T&D

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,407,129 | 40,465 | 40,465 | 40,465 | 2,528,524 | 5,421 | 5,421 | 5,421 |
| 120: Overtime-General | 644,547 | - | - | - | 644,547 | - | - | - |
| 350: Material Issues-Major | 4,228,241 | 83,957 | 83,957 | 83,957 | 4,480,112 | 51,503 | 51,503 | 51,503 |
| 370: Outside Services | 9,129,947 | 25,848 | 25,848 | 25,848 | 9,207,491 | 104,982 | 104,982 | 104,982 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | (2,500,000) | - | - | - | (2,500,000) | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,804,815 | - | - | - | 1,804,815 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (167,069) | - | - | - | (167,069) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 241,352 | 3,342 | 3,342 | 3,342 | 251,379 | 448 | 448 | 448 |
| 914: Pension and Benefits | 584,416 | 7,684 | 7,684 | 7,684 | 607,469 | 1,029 | 1,029 | 1,029 |
| 915: Injuries and Damages | 574,305 | 7,672 | 7,672 | 7,672 | 597,322 | 1,028 | 1,028 | 1,028 |
| 921: Stores Load | 376,939 | 14,078 | 14,078 | 14,078 | 419,173 | 8,636 | 8,636 | 8,636 |
| 922: Minor Material Load | 502,463 | - | - | - | 502,463 | - | - | - |
| 925: E&S Loads | 1,140,586 | 11,828 | 11,828 | 11,828 | 1,176,070 | 11,509 | 11,509 | 11,509 |
| 926: A&G Loads | 699,870 | 5,635 | 5,635 | 5,635 | 716,776 | 5,683 | 5,683 | 5,683 |
| 928: AFUDC Debt | 24 | - | - | - | 24 | - | - | - |
| 929: AFUDC Equity | 28 | - | - | - | 28 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (14,659,526) | (215,441) | (211,965) | (208,906) | (15,295,837) | (205,068) | (201,690) | (198,718) |
| 825: Closing Cost of Removal | (3,162,472) | (30,092) | (28,165) | (26,470) | (3,247,199) | (24,891) | (23,502) | (22,280) |
| Project Net | 1,845,596 | (45,023) | (39,620) | (34,866) | 1,726,087 | (39,720) | (34,954) | (30,759) |

## Project No: 15000608 Distr. Remove & Replace T&D

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 5,421 | 5,421 | 5,421 | 5,421 | 5,421 | 5,421 | 2,577,313 |
| 120: Overtime-General | - | - | - | - | - | - | 644,547 |
| 350: Material Issues-Major | 51,503 | 51,503 | 51,503 | 51,503 | 51,503 | 51,503 | 4,943,639 |
| 370: Outside Services | 104,982 | 104,982 | 104,982 | 104,982 | 104,982 | 104,982 | 10,152,329 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | (2,500,000) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,804,815 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (167,069) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 448 | 448 | 448 | 448 | 448 | 448 | 255,409 |
| 914: Pension and Benefits | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 616,734 |
| 915: Injuries and Damages | 1,028 | 1,028 | 1,028 | 1,028 | 1,028 | 1,028 | 606,572 |
| 921: Stores Load | 8,636 | 8,636 | 8,636 | 8,636 | 8,636 | 8,636 | 496,897 |
| 922: Minor Material Load | - | - | - | - | - | - | 502,463 |
| 925: E&S Loads | 11,509 | 11,509 | 11,509 | 11,509 | 11,509 | 11,509 | 1,279,648 |
| 926: A&G Loads | 5,683 | 5,683 | 5,683 | 5,683 | 5,683 | 5,683 | 767,922 |
| 928: AFUDC Debt | - | - | - | - | - | - | 24 |
| 929: AFUDC Equity | - | - | - | - | - | - | 28 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (196,102) | (193,801) | (191,775) | (189,993) | (188,424) | (187,044) | (17,048,453) |
| 825: Closing Cost of Removal | (21,205) | (20,258) | (19,425) | (18,692) | (18,047) | (17,479) | (3,432,979) |
| Project Net | (27,068) | (23,820) | (20,962) | (18,446) | (16,233) | (14,285) | 1,499,839 |

## Project No: 15002316 Bird Guard Reliabilty Co34

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 150 | TNMP NM Dist General |

**Project Information**

| | |
|---|---|
| Estimated Start Date | 12/18/2015 |
| Estimated Completion Date | 12/31/2032 |

| County % | |
|---|---|
| Lincoln | 38% |
| Otero | 31% |
| Grant | 21% |
| Luna | 8% |
| Hidalgo | 2% |

Description

This project involves installation of protective covers for overhead distribution equipment to prevent birds and other wildlife from coming in direct contact with energized infrastructure. Bird or other wildlife contact with energized infrastructure often causes electrical outages and can be fatal to the animal.

**Project No:** **15002316** **Bird Guard Reliabilty Co34**

Project Need Justification

Avian and other wildlife contact with electrical distribution infrastructure is a leading cause of outages annually across PNM's system. This project will help increase PNM's reliability by hardening equipment to reduce the chances of wildlife-caused outages, while simultaneously providing environmental benefit of protecting wildlife. Protective covers for energized equipment is an economical means of preventing electrical contact of birds and other animals that leads to outages, especially in retrofit applications.

**Project No:** **15002316 Bird Guard Reliabilty Co34**

Project Alternatives

1. Do nothing. This will maintain the risk of birds and other wildlife coming in direct contact with energized infrastructure.

The following alternatives are more expensive options. They can also include the need to acquire additional right-of-way easements which can be expensive, time consuming, and/or challenging-to-impossible. These options may still require the need for equipment covers.

2. Change pole construction type
3. Use longer spanning cross arms

## Project No: 15002316 Bird Guard Reliabilty Co34

| | |
|---|---|
| Project Estimate Approach | The estimate for annual spend on the project was developed by escalating the most recent 12-month spend by 2% annually. Additionally, incremental savings may be achieved by coordinating the scheduling of installation of bird guards simultaneously with two other projects: PURE (funding project 10001707); and Pole Grounds (funding project 10002516). |

**Project No:** **15002316** **Bird Guard Reliabilty Co34**

Customer Benefit

Bird guard installations increase reliability by reducing outages caused by electrical contact from birds and other wildlife.

## Project No: 15002316 Bird Guard Reliabilty Co34

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Installing bird guards reduces the hazard of electrical contact with birds and other wildlife, some of whom may be protected by federal or state environmental regulations. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15002316** **Bird Guard Reliabilty Co34**

General Services

Reliability & Resiliency

Installing bird guards increases reliability by reducing outages caused by electrical contact from birds and other wildlife.

Safety & Security

Technology Advancements

## Project No: 15002316 Bird Guard Reliabilty Co34

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 490,261 | - | - | - | - | - | - | 490,261 |
| 120: Overtime-General | 28,559 | - | - | - | - | - | - | 28,559 |
| 350: Material Issues-Major | 300,846 | - | - | - | - | - | - | 300,846 |
| 370: Outside Services | 213,551 | 14,765 | 14,765 | 14,765 | 14,765 | 14,765 | 14,765 | 302,143 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 427,260 | - | - | - | - | - | - | 427,260 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 39,997 | - | - | - | - | - | - | 39,997 |
| 914: Pension and Benefits | 115,582 | - | - | - | - | - | - | 115,582 |
| 915: Injuries and Damages | 60,256 | - | - | - | - | - | - | 60,256 |
| 921: Stores Load | 14,163 | - | - | - | - | - | - | 14,163 |
| 922: Minor Material Load | 43,425 | - | - | - | - | - | - | 43,425 |
| 925: E&S Loads | 136,253 | 960 | 960 | 960 | 960 | 960 | 960 | 142,012 |
| 926: A&G Loads | 60,760 | 768 | 768 | 768 | 768 | 768 | 768 | 65,367 |
| 928: AFUDC Debt | 8,432 | - | - | - | - | - | - | 8,432 |
| 929: AFUDC Equity | 14,863 | - | - | - | - | - | - | 14,863 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,679,169) | (110,599) | - | - | (46,015) | - | (30,677) | (1,866,461) |
| 825: Closing Cost of Removal | (179,779) | (1,155) | - | - | (3,464) | - | (2,309) | (186,706) |
| Project Net | 95,261 | (95,261) | 16,493 | 16,493 | (32,986) | 16,493 | (16,493) | (0) |

## Project No: 15002316 Bird Guard Reliabilty Co34

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 490,261 | - | - | - | - | - | - |
| 120: Overtime-General | 28,559 | - | - | - | - | - | - |
| 350: Material Issues-Major | 300,846 | - | - | - | - | - | - |
| 370: Outside Services | 302,143 | 34,317 | 34,317 | 34,317 | 34,317 | 34,317 | 34,317 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 427,260 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 39,997 | - | - | - | - | - | - |
| 914: Pension and Benefits | 115,582 | - | - | - | - | - | - |
| 915: Injuries and Damages | 60,256 | - | - | - | - | - | - |
| 921: Stores Load | 14,163 | - | - | - | - | - | - |
| 922: Minor Material Load | 43,425 | - | - | - | - | - | - |
| 925: E&S Loads | 142,012 | 2,402 | 2,402 | 2,402 | 2,402 | 2,402 | 2,402 |
| 926: A&G Loads | 65,367 | 1,287 | 1,287 | 1,287 | 1,287 | 1,287 | 1,287 |
| 928: AFUDC Debt | 8,432 | - | - | - | - | - | - |
| 929: AFUDC Equity | 14,863 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,866,461) | - | - | - | (141,383) | - | - |
| 825: Closing Cost of Removal | (186,706) | - | - | - | (10,642) | - | - |
| Project Net | (0) | 38,006 | 38,006 | 38,006 | (114,018) | 38,006 | 38,006 |

## Project No: 15002316 Bird Guard Reliabilty Co34

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 490,261 |
| 120: Overtime-General | - | - | - | 28,559 |
| 350: Material Issues-Major | - | - | - | 300,846 |
| 370: Outside Services | 34,317 | 34,317 | 34,317 | 610,996 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 427,260 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 39,997 |
| 914: Pension and Benefits | - | - | - | 115,582 |
| 915: Injuries and Damages | - | - | - | 60,256 |
| 921: Stores Load | - | - | - | 14,163 |
| 922: Minor Material Load | - | - | - | 43,425 |
| 925: E&S Loads | 2,402 | 2,402 | 2,402 | 163,632 |
| 926: A&G Loads | 1,287 | 1,287 | 1,287 | 76,949 |
| 928: AFUDC Debt | - | - | - | 8,432 |
| 929: AFUDC Equity | - | - | - | 14,863 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (106,037) | - | - | (2,113,880) |
| 825: Closing Cost of Removal | (7,981) | - | - | (205,329) |
| Project Net | (76,012) | 38,006 | 38,006 | 76,012 |

## Project No: 15002316 Bird Guard Reliabilty Co34

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 490,261 | - | - | - | 490,261 | - | - | - |
| 120: Overtime-General | 28,559 | - | - | - | 28,559 | - | - | - |
| 350: Material Issues-Major | 300,846 | - | - | - | 300,846 | - | - | - |
| 370: Outside Services | 610,996 | 34,317 | 34,317 | 34,317 | 713,947 | 36,418 | 36,418 | 36,418 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 427,260 | - | - | - | 427,260 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 39,997 | - | - | - | 39,997 | - | - | - |
| 914: Pension and Benefits | 115,582 | - | - | - | 115,582 | - | - | - |
| 915: Injuries and Damages | 60,256 | - | - | - | 60,256 | - | - | - |
| 921: Stores Load | 14,163 | - | - | - | 14,163 | - | - | - |
| 922: Minor Material Load | 43,425 | - | - | - | 43,425 | - | - | - |
| 925: E&S Loads | 163,632 | 2,402 | 2,402 | 2,402 | 170,838 | 2,549 | 2,549 | 2,549 |
| 926: A&G Loads | 76,949 | 1,287 | 1,287 | 1,287 | 80,810 | 1,278 | 1,278 | 1,278 |
| 928: AFUDC Debt | 8,432 | - | - | - | 8,432 | - | - | - |
| 929: AFUDC Equity | 14,863 | - | - | - | 14,863 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,113,880) | (106,037) | - | (70,691) | (2,290,609) | - | - | - |
| 825: Closing Cost of Removal | (205,329) | (7,981) | - | (5,321) | (218,631) | - | - | - |
| Project Net | 76,012 | (76,012) | 38,006 | (38,006) | (0) | 40,246 | 40,246 | 40,246 |

## Project No: 15002316 Bird Guard Reliabilty Co34

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 490,261 |
| 120: Overtime-General | - | - | - | - | - | - | 28,559 |
| 350: Material Issues-Major | - | - | - | - | - | - | 300,846 |
| 370: Outside Services | 36,418 | 36,418 | 36,418 | 36,418 | 36,418 | 36,418 | 1,041,709 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 427,260 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 39,997 |
| 914: Pension and Benefits | - | - | - | - | - | - | 115,582 |
| 915: Injuries and Damages | - | - | - | - | - | - | 60,256 |
| 921: Stores Load | - | - | - | - | - | - | 14,163 |
| 922: Minor Material Load | - | - | - | - | - | - | 43,425 |
| 925: E&S Loads | 2,549 | 2,549 | 2,549 | 2,549 | 2,549 | 2,549 | 193,782 |
| 926: A&G Loads | 1,278 | 1,278 | 1,278 | 1,278 | 1,278 | 1,278 | 92,314 |
| 928: AFUDC Debt | - | - | - | - | - | - | 8,432 |
| 929: AFUDC Equity | - | - | - | - | - | - | 14,863 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (149,713) | - | - | (112,285) | - | - | (2,552,607) |
| 825: Closing Cost of Removal | (11,269) | - | - | (8,452) | - | - | (238,352) |
| Project Net | (120,737) | 40,246 | 40,246 | (80,491) | 40,246 | 40,246 | 80,491 |

## Project No: 15100607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 151 Alamagordo Services Dist

**Project Information**

County % Otero 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 15100607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **15100607** **Distr. Remove & Replace**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative. |

## Project No: 15100607 Distr. Remove & Replace

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of our facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **15100607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increased equipment reliability by maintaining the distribution system integrity through the replacement of damaged equipment and equipment taken out of service by storms, other events or deteriorated equipment through normal aging. |

## Project No: 15100607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15100607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 15100607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,130,405 | - | - | - | - | - | - | 1,130,405 |
| 120: Overtime-General | 191,485 | - | - | - | - | - | - | 191,485 |
| 350: Material Issues-Major | 1,087,185 | - | - | - | - | - | - | 1,087,185 |
| 370: Outside Services | 1,367,714 | 5,701 | 5,701 | 5,701 | 5,701 | 5,701 | 5,701 | 1,401,921 |
| 374: Outside Services Legal | 5,717 | - | - | - | - | - | - | 5,717 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 892,074 | - | - | - | - | - | - | 892,074 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (350,790) | - | - | - | - | - | - | (350,790) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 97,495 | - | - | - | - | - | - | 97,495 |
| 914: Pension and Benefits | 342,188 | - | - | - | - | - | - | 342,188 |
| 915: Injuries and Damages | 101,920 | - | - | - | - | - | - | 101,920 |
| 921: Stores Load | 74,039 | - | - | - | - | - | - | 74,039 |
| 922: Minor Material Load | 129,794 | - | - | - | - | - | - | 129,794 |
| 925: E&S Loads | 568,962 | 371 | 371 | 371 | 371 | 371 | 371 | 571,185 |
| 926: A&G Loads | 229,310 | 296 | 296 | 296 | 296 | 296 | 296 | 231,088 |
| 928: AFUDC Debt | 11 | - | - | - | - | - | - | 11 |
| 929: AFUDC Equity | 15 | - | - | - | - | - | - | 15 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,866,836) | (711) | (1,336) | (1,886) | (2,371) | (2,797) | (3,172) | (4,879,109) |
| 825: Closing Cost of Removal | (1,000,691) | (53) | (100) | (142) | (178) | (210) | (239) | (1,001,613) |
| Project Net | (3) | 5,605 | 4,932 | 4,340 | 3,819 | 3,361 | 2,958 | 25,011 |

## Project No: 15100607 Distr. Remove & Replace

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,130,405 | - | - | - | - | - | - |
| 120: Overtime-General | 191,485 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,087,185 | - | - | - | - | - | - |
| 370: Outside Services | 1,401,921 | 5,773 | 5,773 | 5,773 | 5,773 | 5,773 | 5,773 |
| 374: Outside Services Legal | 5,717 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 892,074 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (350,790) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 97,495 | - | - | - | - | - | - |
| 914: Pension and Benefits | 342,188 | - | - | - | - | - | - |
| 915: Injuries and Damages | 101,920 | - | - | - | - | - | - |
| 921: Stores Load | 74,039 | - | - | - | - | - | - |
| 922: Minor Material Load | 129,794 | - | - | - | - | - | - |
| 925: E&S Loads | 571,185 | 404 | 404 | 404 | 404 | 404 | 404 |
| 926: A&G Loads | 231,088 | 216 | 216 | 216 | 216 | 216 | 216 |
| 928: AFUDC Debt | 11 | - | - | - | - | - | - |
| 929: AFUDC Equity | 15 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,879,109) | (3,505) | (3,798) | (4,056) | (4,283) | (4,482) | (4,658) |
| 825: Closing Cost of Removal | (1,001,613) | (264) | (286) | (305) | (322) | (337) | (350) |
| Project Net | 25,011 | 2,625 | 2,310 | 2,033 | 1,789 | 1,574 | 1,385 |

## Project No: 15100607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,130,405 |
| 120: Overtime-General | - | - | - | 191,485 |
| 350: Material Issues-Major | - | - | - | 1,087,185 |
| 370: Outside Services | 5,773 | 5,773 | 5,773 | 1,453,878 |
| 374: Outside Services Legal | - | - | - | 5,717 |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 892,074 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (350,790) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 97,495 |
| 914: Pension and Benefits | - | - | - | 342,188 |
| 915: Injuries and Damages | - | - | - | 101,920 |
| 921: Stores Load | - | - | - | 74,039 |
| 922: Minor Material Load | - | - | - | 129,794 |
| 925: E&S Loads | 404 | 404 | 404 | 574,822 |
| 926: A&G Loads | 216 | 216 | 216 | 233,037 |
| 928: AFUDC Debt | - | - | - | 11 |
| 929: AFUDC Equity | - | - | - | 15 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (4,812) | (4,948) | (5,068) | (4,918,719) |
| 825: Closing Cost of Removal | (362) | (372) | (381) | (1,004,594) |
| Project Net | 1,219 | 1,073 | 944 | 39,963 |

## Project No: 15100607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,130,405 | - | - | - | 1,130,405 | - | - | - |
| 120: Overtime-General | 191,485 | - | - | - | 191,485 | - | - | - |
| 350: Material Issues-Major | 1,087,185 | - | - | - | 1,087,185 | - | - | - |
| 370: Outside Services | 1,453,878 | 5,773 | 5,773 | 5,773 | 1,471,197 | 5,678 | 5,678 | 5,678 |
| 374: Outside Services Legal | 5,717 | - | - | - | 5,717 | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 892,074 | - | - | - | 892,074 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (350,790) | - | - | - | (350,790) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 97,495 | - | - | - | 97,495 | - | - | - |
| 914: Pension and Benefits | 342,188 | - | - | - | 342,188 | - | - | - |
| 915: Injuries and Damages | 101,920 | - | - | - | 101,920 | - | - | - |
| 921: Stores Load | 74,039 | - | - | - | 74,039 | - | - | - |
| 922: Minor Material Load | 129,794 | - | - | - | 129,794 | - | - | - |
| 925: E&S Loads | 574,822 | 404 | 404 | 404 | 576,035 | 397 | 397 | 397 |
| 926: A&G Loads | 233,037 | 216 | 216 | 216 | 233,686 | 199 | 199 | 199 |
| 928: AFUDC Debt | 11 | - | - | - | 11 | - | - | - |
| 929: AFUDC Equity | 15 | - | - | - | 15 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,918,719) | (5,173) | (5,266) | (5,348) | (4,934,506) | (5,406) | (5,458) | (5,503) |
| 825: Closing Cost of Removal | (1,004,594) | (389) | (396) | (402) | (1,005,782) | (407) | (411) | (414) |
| Project Net | 39,963 | 831 | 731 | 643 | 42,169 | 462 | 406 | 357 |

## Project No: 15100607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,130,405 |
| 120: Overtime-General | - | - | - | - | - | - | 191,485 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,087,185 |
| 370: Outside Services | 5,678 | 5,678 | 5,678 | 5,678 | 5,678 | 5,678 | 1,522,299 |
| 374: Outside Services Legal | - | - | - | - | - | - | 5,717 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 892,074 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (350,790) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 97,495 |
| 914: Pension and Benefits | - | - | - | - | - | - | 342,188 |
| 915: Injuries and Damages | - | - | - | - | - | - | 101,920 |
| 921: Stores Load | - | - | - | - | - | - | 74,039 |
| 922: Minor Material Load | - | - | - | - | - | - | 129,794 |
| 925: E&S Loads | 397 | 397 | 397 | 397 | 397 | 397 | 579,612 |
| 926: A&G Loads | 199 | 199 | 199 | 199 | 199 | 199 | 235,480 |
| 928: AFUDC Debt | - | - | - | - | - | - | 11 |
| 929: AFUDC Equity | - | - | - | - | - | - | 15 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,543) | (5,578) | (5,609) | (5,636) | (5,660) | (5,681) | (4,984,581) |
| 825: Closing Cost of Removal | (417) | (420) | (422) | (424) | (426) | (428) | (1,009,551) |
| Project Net | 315 | 277 | 244 | 214 | 189 | 166 | 44,798 |

## Project No: 15100707 Distr. system Improvements

Company: 001 Electric Services
Location: 151 Alamagordo Services Dist

**Project Information**

County % Otero 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

## Project No: 15100707 Distr. system Improvements

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **15100707** **Distr. system Improvements**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations. |

## Project No: 15100707 Distr. system Improvements

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **15100707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 15100707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15100707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 15100707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,083,951 | - | - | - | - | - | - | 1,083,951 |
| 120: Overtime-General | 149,981 | - | - | - | - | - | - | 149,981 |
| 350: Material Issues-Major | 1,285,430 | - | - | - | - | - | - | 1,285,430 |
| 370: Outside Services | 1,333,723 | 4,643 | 4,643 | 4,643 | 4,643 | 4,643 | 4,643 | 1,361,583 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 697,510 | - | - | - | - | - | - | 697,510 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (120,919) | - | - | - | - | - | - | (120,919) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 90,113 | - | - | - | - | - | - | 90,113 |
| 914: Pension and Benefits | 319,164 | - | - | - | - | - | - | 319,164 |
| 915: Injuries and Damages | 94,864 | - | - | - | - | - | - | 94,864 |
| 921: Stores Load | 80,391 | - | - | - | - | - | - | 80,391 |
| 922: Minor Material Load | 146,443 | - | - | - | - | - | - | 146,443 |
| 925: E&S Loads | 568,618 | 302 | 302 | 302 | 302 | 302 | 302 | 570,429 |
| 926: A&G Loads | 264,470 | 241 | 241 | 241 | 241 | 241 | 241 | 265,918 |
| 928: AFUDC Debt | 64,359 | 182 | 172 | 163 | 156 | 149 | 143 | 65,323 |
| 929: AFUDC Equity | 78,910 | 194 | 183 | 174 | 166 | 159 | 152 | 79,937 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,284,909) | (9,220) | (8,735) | (8,306) | (7,927) | (7,591) | (7,295) | (5,333,983) |
| 825: Closing Cost of Removal | (762,692) | (2,173) | (1,956) | (1,765) | (1,597) | (1,448) | (1,318) | (772,949) |
| Project Net | 89,406 | (5,831) | (5,149) | (4,547) | (4,016) | (3,546) | (3,131) | 63,186 |

## Project No: 15100707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,083,951 | - | - | - | - | - | - |
| 120: Overtime-General | 149,981 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,285,430 | - | - | - | - | - | - |
| 370: Outside Services | 1,361,583 | 18,189 | 18,189 | 18,189 | 18,189 | 18,189 | 18,189 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 697,510 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (120,919) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 90,113 | - | - | - | - | - | - |
| 914: Pension and Benefits | 319,164 | - | - | - | - | - | - |
| 915: Injuries and Damages | 94,864 | - | - | - | - | - | - |
| 921: Stores Load | 80,391 | - | - | - | - | - | - |
| 922: Minor Material Load | 146,443 | - | - | - | - | - | - |
| 925: E&S Loads | 570,429 | 1,273 | 1,273 | 1,273 | 1,273 | 1,273 | 1,273 |
| 926: A&G Loads | 265,918 | 682 | 682 | 682 | 682 | 682 | 682 |
| 928: AFUDC Debt | 65,323 | 139 | 163 | 183 | 201 | 217 | 231 |
| 929: AFUDC Equity | 79,937 | 189 | 220 | 248 | 272 | 294 | 313 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,333,983) | (8,707) | (9,956) | (11,061) | (12,039) | (12,903) | (13,668) |
| 825: Closing Cost of Removal | (772,949) | (1,329) | (1,339) | (1,348) | (1,355) | (1,362) | (1,367) |
| Project Net | 63,186 | 10,436 | 9,232 | 8,166 | 7,224 | 6,390 | 5,653 |

## Project No: 15100707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,083,951 |
| 120: Overtime-General | - | - | - | 149,981 |
| 350: Material Issues-Major | - | - | - | 1,285,430 |
| 370: Outside Services | 18,189 | 18,189 | 18,189 | 1,525,284 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 697,510 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (120,919) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 90,113 |
| 914: Pension and Benefits | - | - | - | 319,164 |
| 915: Injuries and Damages | - | - | - | 94,864 |
| 921: Stores Load | - | - | - | 80,391 |
| 922: Minor Material Load | - | - | - | 146,443 |
| 925: E&S Loads | 1,273 | 1,273 | 1,273 | 581,888 |
| 926: A&G Loads | 682 | 682 | 682 | 272,057 |
| 928: AFUDC Debt | 244 | 255 | 265 | 67,220 |
| 929: AFUDC Equity | 330 | 345 | 358 | 82,504 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (14,345) | (14,944) | (15,473) | (5,447,079) |
| 825: Closing Cost of Removal | (1,373) | (1,377) | (1,381) | (785,179) |
| Project Net | 5,000 | 4,423 | 3,913 | 123,623 |

## Project No: 15100707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,083,951 | - | - | - | 1,083,951 | - | - | - |
| 120: Overtime-General | 149,981 | - | - | - | 149,981 | - | - | - |
| 350: Material Issues-Major | 1,285,430 | - | - | - | 1,285,430 | - | - | - |
| 370: Outside Services | 1,525,284 | 18,189 | 18,189 | 18,189 | 1,579,851 | 17,885 | 17,885 | 17,885 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 697,510 | - | - | - | 697,510 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (120,919) | - | - | - | (120,919) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 90,113 | - | - | - | 90,113 | - | - | - |
| 914: Pension and Benefits | 319,164 | - | - | - | 319,164 | - | - | - |
| 915: Injuries and Damages | 94,864 | - | - | - | 94,864 | - | - | - |
| 921: Stores Load | 80,391 | - | - | - | 80,391 | - | - | - |
| 922: Minor Material Load | 146,443 | - | - | - | 146,443 | - | - | - |
| 925: E&S Loads | 581,888 | 1,273 | 1,273 | 1,273 | 585,707 | 1,252 | 1,252 | 1,252 |
| 926: A&G Loads | 272,057 | 682 | 682 | 682 | 274,103 | 628 | 628 | 628 |
| 928: AFUDC Debt | 67,220 | 273 | 281 | 288 | 68,062 | 287 | 292 | 296 |
| 929: AFUDC Equity | 82,504 | 370 | 380 | 389 | 83,643 | 454 | 461 | 467 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,447,079) | (15,942) | (16,356) | (16,723) | (5,496,099) | (17,011) | (17,265) | (17,491) |
| 825: Closing Cost of Removal | (785,179) | (1,385) | (1,388) | (1,390) | (789,342) | (1,389) | (1,389) | (1,388) |
| Project Net | 123,623 | 3,461 | 3,062 | 2,708 | 132,853 | 2,106 | 1,863 | 1,649 |

## Project No: 15100707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,083,951 |
| 120: Overtime-General | - | - | - | - | - | - | 149,981 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,285,430 |
| 370: Outside Services | 17,885 | 17,885 | 17,885 | 17,885 | 17,885 | 17,885 | 1,740,816 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 697,510 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (120,919) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 90,113 |
| 914: Pension and Benefits | - | - | - | - | - | - | 319,164 |
| 915: Injuries and Damages | - | - | - | - | - | - | 94,864 |
| 921: Stores Load | - | - | - | - | - | - | 80,391 |
| 922: Minor Material Load | - | - | - | - | - | - | 146,443 |
| 925: E&S Loads | 1,252 | 1,252 | 1,252 | 1,252 | 1,252 | 1,252 | 596,975 |
| 926: A&G Loads | 628 | 628 | 628 | 628 | 628 | 628 | 279,753 |
| 928: AFUDC Debt | 300 | 303 | 306 | 308 | 311 | 313 | 70,777 |
| 929: AFUDC Equity | 473 | 478 | 483 | 486 | 490 | 493 | 87,928 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (17,691) | (17,867) | (18,023) | (18,162) | (18,284) | (18,392) | (5,656,285) |
| 825: Closing Cost of Removal | (1,388) | (1,387) | (1,387) | (1,386) | (1,386) | (1,386) | (801,827) |
| Project Net | 1,459 | 1,292 | 1,143 | 1,012 | 895 | 792 | 145,064 |

## Project No: 15101807 Alamorgordo Pure Project

Company: 001 Electric Services
Location: 151 Alamagordo Services Dist

**Project Information**

County % Otero 100%

Estimated Start Date 12/5/2013

Estimated Completion Date 12/31/2032

Description

The Plant Unit Replacement Equipment Process (PURE) process was designed to allow for all 5 of the PURE assets to be capitalized under a single blanket work order number. This project involves the replacement of damaged or obsolete equipment in PNM's distribution system. The specific equipment to be replaced may include lightning arrestors, cross-arms, cut-outs, capacitors, and insulators. Specific equipment identified to be repaired or replaced is identified during routine inspections, line patrols, as well as inspections when responding to outages.

**Project No:** **15101807 Alamorgordo Pure Project**

Project Need Justification

Replacing damaged or obsolete equipment in the distribution system ensures that PNM maintains reliable service while reducing hazardous conditions, which improves safety for PNM personnel, customers, and the public. NMPRC Rule 17.9.560, Service Standards for Electric Utilities Rules, outlines the requirements for following electrical and safety standards (National Electric Safety Code), minimizing interruption of service, and protective safety measures.

**Project No:** **15101807** **Alamorgordo Pure Project**

| | |
|---|---|
| Project Alternatives | Not replacing damaged or obsolete equipment in the distribution system will not ensure system reliability and expose PNM personnel, customers, and the public to hazardous risks. |

## Project No: 15101807 Alamorgordo Pure Project

| | |
|---|---|
| Project Estimate Approach | PNM maintains detailed historical records of equipment replacement activities. These records allow PNM to estimate typical future annual replacement projections and needs. This project estimate is established by analyzing the most recent 12-month actual spend to estimate costs for the forecast period. The project includes costs for internal labor, equipment, materials, transportation, and contractors if they are needed. |

**Project No:** **15101807** **Alamorgordo Pure Project**

| | |
|---|---|
| Customer Benefit | Replacing damaged and obsolete equipment increases reliability of PNM's distribution system while also improving safety conditions for PNM employees, customers, and the public. |

## Project No: 15101807 Alamorgordo Pure Project

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15101807** **Alamorgordo Pure Project**

| | |
|---|---|
| General Services | |
| Reliability & Resiliency | Replacing damaged or obsolete distribution components reduces outages and increase overall system reliability. |
| Safety & Security | Replacing damaged or obsolete distribution components reduces PNM employee, customer, and public exposure to possible hazards and increases the overall safety of the distribution system. |
| Technology Advancements | |

## Project No: 15101807 Alamorgordo Pure Project

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,102,076 | - | - | - | - | - | - | 1,102,076 |
| 120: Overtime-General | 71,467 | - | - | - | - | - | - | 71,467 |
| 350: Material Issues-Major | 344,888 | - | - | - | - | - | - | 344,888 |
| 370: Outside Services | 1,300,896 | 28,736 | 28,736 | 28,736 | 28,736 | 28,736 | 28,736 | 1,473,310 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,002,542 | - | - | - | - | - | - | 1,002,542 |
| 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 | 90,263 | - | - | - | - | - | - | 90,263 |
| 914: Pension and Benefits | 263,616 | - | - | - | - | - | - | 263,616 |
| 915: Injuries and Damages | 130,262 | - | - | - | - | - | - | 130,262 |
| 921: Stores Load | 30,320 | - | - | - | - | - | - | 30,320 |
| 922: Minor Material Load | 62,196 | - | - | - | - | - | - | 62,196 |
| 925: E&S Loads | 374,593 | 1,868 | 1,868 | 1,868 | 1,868 | 1,868 | 1,868 | 385,800 |
| 926: A&G Loads | 162,840 | 1,494 | 1,494 | 1,494 | 1,494 | 1,494 | 1,494 | 171,806 |
| 928: AFUDC Debt | 29,801 | - | - | - | - | - | - | 29,801 |
| 929: AFUDC Equity | 48,378 | - | - | - | - | - | - | 48,378 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,258,835) | (150,295) | - | - | (89,553) | - | (59,702) | (4,558,385) |
| 825: Closing Cost of Removal | (630,235) | (6,871) | - | - | (6,741) | - | (4,494) | (648,340) |
| Project Net | 125,068 | (125,068) | 32,098 | 32,098 | (64,195) | 32,098 | (32,098) | - |

## Project No: 15101807 Alamorgordo Pure Project

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,102,076 | - | - | - | - | - | - |
| 120: Overtime-General | 71,467 | - | - | - | - | - | - |
| 350: Material Issues-Major | 344,888 | - | - | - | - | - | - |
| 370: Outside Services | 1,473,310 | 42,121 | 42,121 | 42,121 | 42,121 | 42,121 | 42,121 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,002,542 | - | - | - | - | - | - |
| 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 | 90,263 | - | - | - | - | - | - |
| 914: Pension and Benefits | 263,616 | - | - | - | - | - | - |
| 915: Injuries and Damages | 130,262 | - | - | - | - | - | - |
| 921: Stores Load | 30,320 | - | - | - | - | - | - |
| 922: Minor Material Load | 62,196 | - | - | - | - | - | - |
| 925: E&S Loads | 385,800 | 2,948 | 2,948 | 2,948 | 2,948 | 2,948 | 2,948 |
| 926: A&G Loads | 171,806 | 1,580 | 1,580 | 1,580 | 1,580 | 1,580 | 1,580 |
| 928: AFUDC Debt | 29,801 | - | - | - | - | - | - |
| 929: AFUDC Equity | 48,378 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,558,385) | - | - | - | (173,534) | - | - |
| 825: Closing Cost of Removal | (648,340) | - | - | - | (13,062) | - | - |
| Project Net | - | 46,649 | 46,649 | 46,649 | (139,947) | 46,649 | 46,649 |

## Project No: 15101807 Alamorgordo Pure Project

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,102,076 |
| 120: Overtime-General | - | - | - | 71,467 |
| 350: Material Issues-Major | - | - | - | 344,888 |
| 370: Outside Services | 42,121 | 42,121 | 42,121 | 1,852,399 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,002,542 |
| 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 | - | - | - | 90,263 |
| 914: Pension and Benefits | - | - | - | 263,616 |
| 915: Injuries and Damages | - | - | - | 130,262 |
| 921: Stores Load | - | - | - | 30,320 |
| 922: Minor Material Load | - | - | - | 62,196 |
| 925: E&S Loads | 2,948 | 2,948 | 2,948 | 412,336 |
| 926: A&G Loads | 1,580 | 1,580 | 1,580 | 186,022 |
| 928: AFUDC Debt | - | - | - | 29,801 |
| 929: AFUDC Equity | - | - | - | 48,378 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (130,151) | - | - | (4,862,070) |
| 825: Closing Cost of Removal | (9,796) | - | - | (671,198) |
| Project Net | (93,298) | 46,649 | 46,649 | 93,298 |

## Project No: 15101807 Alamorgordo Pure Project

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,102,076 | - | - | - | 1,102,076 | - | - | - |
| 120: Overtime-General | 71,467 | - | - | - | 71,467 | - | - | - |
| 350: Material Issues-Major | 344,888 | - | - | - | 344,888 | - | - | - |
| 370: Outside Services | 1,852,399 | 42,121 | 42,121 | 42,121 | 1,978,762 | 43,359 | 43,359 | 43,359 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,002,542 | - | - | - | 1,002,542 | - | - | - |
| 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 | 90,263 | - | - | - | 90,263 | - | - | - |
| 914: Pension and Benefits | 263,616 | - | - | - | 263,616 | - | - | - |
| 915: Injuries and Damages | 130,262 | - | - | - | 130,262 | - | - | - |
| 921: Stores Load | 30,320 | - | - | - | 30,320 | - | - | - |
| 922: Minor Material Load | 62,196 | - | - | - | 62,196 | - | - | - |
| 925: E&S Loads | 412,336 | 2,948 | 2,948 | 2,948 | 421,182 | 3,035 | 3,035 | 3,035 |
| 926: A&G Loads | 186,022 | 1,580 | 1,580 | 1,580 | 190,760 | 1,522 | 1,522 | 1,522 |
| 928: AFUDC Debt | 29,801 | - | - | - | 29,801 | - | - | - |
| 929: AFUDC Equity | 48,378 | - | - | - | 48,378 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,862,070) | (130,151) | - | (86,767) | (5,078,988) | - | - | - |
| 825: Closing Cost of Removal | (671,198) | (9,796) | - | (6,531) | (687,526) | - | - | - |
| Project Net | 93,298 | (93,298) | 46,649 | (46,649) | (0) | 47,916 | 47,916 | 47,916 |

## Project No: 15101807 Alamorgordo Pure Project

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,102,076 |
| 120: Overtime-General | - | - | - | - | - | - | 71,467 |
| 350: Material Issues-Major | - | - | - | - | - | - | 344,888 |
| 370: Outside Services | 43,359 | 43,359 | 43,359 | 43,359 | 43,359 | 43,359 | 2,368,993 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,002,542 |
| 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 | - | - | - | - | - | - | 90,263 |
| 914: Pension and Benefits | - | - | - | - | - | - | 263,616 |
| 915: Injuries and Damages | - | - | - | - | - | - | 130,262 |
| 921: Stores Load | - | - | - | - | - | - | 30,320 |
| 922: Minor Material Load | - | - | - | - | - | - | 62,196 |
| 925: E&S Loads | 3,035 | 3,035 | 3,035 | 3,035 | 3,035 | 3,035 | 448,498 |
| 926: A&G Loads | 1,522 | 1,522 | 1,522 | 1,522 | 1,522 | 1,522 | 204,457 |
| 928: AFUDC Debt | - | - | - | - | - | - | 29,801 |
| 929: AFUDC Equity | - | - | - | - | - | - | 48,378 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (178,248) | - | - | (133,686) | - | - | (5,390,921) |
| 825: Closing Cost of Removal | (13,416) | - | - | (10,062) | - | - | (711,004) |
| Project Net | (143,748) | 47,916 | 47,916 | (95,832) | 47,916 | 47,916 | 95,832 |

## Project No: 15200607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 152 Ruidoso Services Dist

**Project Information**

County % Lincoln 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 15200607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **15200607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative.

## Project No: 15200607 Distr. Remove & Replace

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of our facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **15200607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increased equipment reliability by maintaining the distribution system integrity. |

## Project No: 15200607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15200607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 15200607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,047,708 | - | - | - | - | - | - | 1,047,708 |
| 120: Overtime-General | 244,112 | - | - | - | - | - | - | 244,112 |
| 350: Material Issues-Major | 776,290 | - | - | - | - | - | - | 776,290 |
| 370: Outside Services | 1,039,656 | 4,643 | 4,643 | 4,643 | 4,643 | 4,643 | 4,643 | 1,067,516 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 895,423 | - | - | - | - | - | - | 895,423 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (391,425) | - | - | - | - | - | - | (391,425) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 97,086 | - | - | - | - | - | - | 97,086 |
| 914: Pension and Benefits | 333,293 | - | - | - | - | - | - | 333,293 |
| 915: Injuries and Damages | 100,690 | - | - | - | - | - | - | 100,690 |
| 921: Stores Load | 62,557 | - | - | - | - | - | - | 62,557 |
| 922: Minor Material Load | 99,607 | - | - | - | - | - | - | 99,607 |
| 925: E&S Loads | 530,872 | 302 | 302 | 302 | 302 | 302 | 302 | 532,683 |
| 926: A&G Loads | 198,101 | 241 | 241 | 241 | 241 | 241 | 241 | 199,550 |
| 928: AFUDC Debt | 46 | - | - | - | - | - | - | 46 |
| 929: AFUDC Equity | 10 | - | - | - | - | - | - | 10 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,165,375) | (419) | (947) | (1,413) | (1,822) | (2,182) | (2,499) | (4,174,657) |
| 825: Closing Cost of Removal | (869,828) | (62) | (99) | (130) | (158) | (183) | (204) | (870,665) |
| Project Net | (1,176) | 4,705 | 4,141 | 3,644 | 3,207 | 2,822 | 2,483 | 19,825 |

## Project No: 15200607 Distr. Remove & Replace

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,047,708 | - | - | - | - | - | - |
| 120: Overtime-General | 244,112 | - | - | - | - | - | - |
| 350: Material Issues-Major | 776,290 | - | - | - | - | - | - |
| 370: Outside Services | 1,067,516 | 22,032 | 22,032 | 22,032 | 22,032 | 22,032 | 22,032 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 895,423 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (391,425) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 97,086 | - | - | - | - | - | - |
| 914: Pension and Benefits | 333,293 | - | - | - | - | - | - |
| 915: Injuries and Damages | 100,690 | - | - | - | - | - | - |
| 921: Stores Load | 62,557 | - | - | - | - | - | - |
| 922: Minor Material Load | 99,607 | - | - | - | - | - | - |
| 925: E&S Loads | 532,683 | 1,542 | 1,542 | 1,542 | 1,542 | 1,542 | 1,542 |
| 926: A&G Loads | 199,550 | 826 | 826 | 826 | 826 | 826 | 826 |
| 928: AFUDC Debt | 46 | - | - | - | - | - | - |
| 929: AFUDC Equity | 10 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,174,657) | (4,922) | (7,055) | (8,931) | (10,583) | (12,036) | (13,315) |
| 825: Closing Cost of Removal | (870,665) | (385) | (544) | (683) | (806) | (915) | (1,010) |
| Project Net | 19,825 | 19,093 | 16,802 | 14,786 | 13,012 | 11,450 | 10,076 |

## Project No: 15200607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,047,708 |
| 120: Overtime-General | - | - | - | 244,112 |
| 350: Material Issues-Major | - | - | - | 776,290 |
| 370: Outside Services | 22,032 | 22,032 | 22,032 | 1,265,804 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 895,423 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (391,425) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 97,086 |
| 914: Pension and Benefits | - | - | - | 333,293 |
| 915: Injuries and Damages | - | - | - | 100,690 |
| 921: Stores Load | - | - | - | 62,557 |
| 922: Minor Material Load | - | - | - | 99,607 |
| 925: E&S Loads | 1,542 | 1,542 | 1,542 | 546,563 |
| 926: A&G Loads | 826 | 826 | 826 | 206,986 |
| 928: AFUDC Debt | - | - | - | 46 |
| 929: AFUDC Equity | - | - | - | 10 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (14,440) | (15,430) | (16,302) | (4,277,670) |
| 825: Closing Cost of Removal | (1,094) | (1,167) | (1,232) | (878,500) |
| Project Net | 8,867 | 7,803 | 6,867 | 128,581 |

## Project No: 15200607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,047,708 | - | - | - | 1,047,708 | - | - | - |
| 120: Overtime-General | 244,112 | - | - | - | 244,112 | - | - | - |
| 350: Material Issues-Major | 776,290 | - | - | - | 776,290 | - | - | - |
| 370: Outside Services | 1,265,804 | 22,032 | 22,032 | 22,032 | 1,331,900 | 21,670 | 21,670 | 21,670 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 895,423 | - | - | - | 895,423 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (391,425) | - | - | - | (391,425) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 97,086 | - | - | - | 97,086 | - | - | - |
| 914: Pension and Benefits | 333,293 | - | - | - | 333,293 | - | - | - |
| 915: Injuries and Damages | 100,690 | - | - | - | 100,690 | - | - | - |
| 921: Stores Load | 62,557 | - | - | - | 62,557 | - | - | - |
| 922: Minor Material Load | 99,607 | - | - | - | 99,607 | - | - | - |
| 925: E&S Loads | 546,563 | 1,542 | 1,542 | 1,542 | 551,190 | 1,517 | 1,517 | 1,517 |
| 926: A&G Loads | 206,986 | 826 | 826 | 826 | 209,464 | 761 | 761 | 761 |
| 928: AFUDC Debt | 46 | - | - | - | 46 | - | - | - |
| 929: AFUDC Equity | 10 | - | - | - | 10 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,277,670) | (17,069) | (17,743) | (18,337) | (4,330,819) | (18,809) | (19,225) | (19,590) |
| 825: Closing Cost of Removal | (878,500) | (1,289) | (1,340) | (1,384) | (882,513) | (1,419) | (1,450) | (1,477) |
| Project Net | 128,581 | 6,043 | 5,318 | 4,679 | 144,621 | 3,719 | 3,273 | 2,880 |

## Project No: 15200607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,047,708 |
| 120: Overtime-General | - | - | - | - | - | - | 244,112 |
| 350: Material Issues-Major | - | - | - | - | - | - | 776,290 |
| 370: Outside Services | 21,670 | 21,670 | 21,670 | 21,670 | 21,670 | 21,670 | 1,526,930 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 895,423 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (391,425) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 97,086 |
| 914: Pension and Benefits | - | - | - | - | - | - | 333,293 |
| 915: Injuries and Damages | - | - | - | - | - | - | 100,690 |
| 921: Stores Load | - | - | - | - | - | - | 62,557 |
| 922: Minor Material Load | - | - | - | - | - | - | 99,607 |
| 925: E&S Loads | 1,517 | 1,517 | 1,517 | 1,517 | 1,517 | 1,517 | 564,842 |
| 926: A&G Loads | 761 | 761 | 761 | 761 | 761 | 761 | 216,310 |
| 928: AFUDC Debt | - | - | - | - | - | - | 46 |
| 929: AFUDC Equity | - | - | - | - | - | - | 10 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (19,912) | (20,195) | (20,444) | (20,663) | (20,856) | (21,026) | (4,511,541) |
| 825: Closing Cost of Removal | (1,501) | (1,522) | (1,540) | (1,557) | (1,571) | (1,584) | (896,133) |
| Project Net | 2,535 | 2,230 | 1,963 | 1,727 | 1,520 | 1,338 | 165,806 |

## Project No: 15200707 Distr. system Improvements

Company: 001 Electric Services
Location: 152 Ruidoso Services Dist

**Project Information**

County % Lincoln 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

## Project No: 15200707 Distr. system Improvements

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **15200707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

## Project No: 15200707 Distr. system Improvements

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **15200707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 15200707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15200707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 15200707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,460,430 | 3,344 | 3,344 | 3,344 | 3,344 | 3,344 | 372 | 1,477,521 |
| 120: Overtime-General | 48,229 | - | - | - | - | - | - | 48,229 |
| 350: Material Issues-Major | 1,914,915 | 31,760 | 31,760 | 31,760 | 31,760 | 31,760 | 3,529 | 2,077,242 |
| 370: Outside Services | 1,989,549 | 48,477 | 48,477 | 48,477 | 48,477 | 48,477 | 5,386 | 2,237,318 |
| 374: Outside Services Legal | 1,012 | - | - | - | - | - | - | 1,012 |
| 377: Outside Svcs-Temp Labor | 526 | - | - | - | - | - | - | 526 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,088,486 | - | - | - | - | - | - | 1,088,486 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (56,848) | - | - | - | - | - | - | (56,848) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 113,807 | 255 | 255 | 255 | 255 | 255 | 28 | 115,109 |
| 914: Pension and Benefits | 346,718 | 622 | 622 | 622 | 622 | 622 | 69 | 349,899 |
| 915: Injuries and Damages | 156,445 | 662 | 662 | 662 | 662 | 662 | 74 | 159,829 |
| 921: Stores Load | 100,561 | 7,237 | 7,237 | 7,237 | 7,237 | 7,237 | 804 | 137,552 |
| 922: Minor Material Load | 202,469 | - | - | - | - | - | - | 202,469 |
| 925: E&S Loads | 741,576 | 5,533 | 5,533 | 5,533 | 5,533 | 5,533 | 615 | 769,854 |
| 926: A&G Loads | 327,324 | 4,346 | 4,346 | 4,346 | 4,346 | 4,346 | 483 | 349,538 |
| 928: AFUDC Debt | 68,115 | 649 | 794 | 923 | 1,037 | 1,137 | 1,122 | 73,777 |
| 929: AFUDC Equity | 83,742 | 691 | 846 | 984 | 1,105 | 1,212 | 1,196 | 89,776 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,243,923) | (37,488) | (44,595) | (50,882) | (56,443) | (61,361) | (55,544) | (7,550,236) |
| 825: Closing Cost of Removal | (1,002,004) | (15,877) | (14,830) | (13,910) | (13,099) | (12,386) | (10,995) | (1,083,101) |
| Project Net | 341,130 | 50,211 | 44,450 | 39,350 | 34,835 | 30,838 | (52,861) | 487,952 |

## Project No: 15200707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,477,521 | 1,201 | 1,201 | 1,201 | 1,201 | 1,201 | 1,201 |
| 120: Overtime-General | 48,229 | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,077,242 | 11,406 | 11,406 | 11,406 | 11,406 | 11,406 | 11,406 |
| 370: Outside Services | 2,237,318 | 17,409 | 17,409 | 17,409 | 17,409 | 17,409 | 17,409 |
| 374: Outside Services Legal | 1,012 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 526 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,088,486 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (56,848) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 115,109 | 99 | 99 | 99 | 99 | 99 | 99 |
| 914: Pension and Benefits | 349,899 | 228 | 228 | 228 | 228 | 228 | 228 |
| 915: Injuries and Damages | 159,829 | 228 | 228 | 228 | 228 | 228 | 228 |
| 921: Stores Load | 137,552 | 1,913 | 1,913 | 1,913 | 1,913 | 1,913 | 1,913 |
| 922: Minor Material Load | 202,469 | - | - | - | - | - | - |
| 925: E&S Loads | 769,854 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 | 2,140 |
| 926: A&G Loads | 349,538 | 1,126 | 1,126 | 1,126 | 1,126 | 1,126 | 1,126 |
| 928: AFUDC Debt | 73,777 | 943 | 904 | 869 | 838 | 811 | 787 |
| 929: AFUDC Equity | 89,776 | 1,275 | 1,222 | 1,175 | 1,134 | 1,097 | 1,065 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,550,236) | (53,134) | (51,003) | (49,117) | (47,450) | (45,974) | (44,669) |
| 825: Closing Cost of Removal | (1,083,101) | (9,976) | (9,079) | (8,290) | (7,595) | (6,984) | (6,447) |
| Project Net | 487,952 | (25,143) | (22,207) | (19,614) | (17,324) | (15,301) | (13,515) |

## Project No: 15200707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 1,201 | 1,201 | 1,201 | 1,488,330 |
| 120: Overtime-General | - | - | - | 48,229 |
| 350: Material Issues-Major | 11,406 | 11,406 | 11,406 | 2,179,896 |
| 370: Outside Services | 17,409 | 17,409 | 17,409 | 2,393,999 |
| 374: Outside Services Legal | - | - | - | 1,012 |
| 377: Outside Svcs-Temp Labor | - | - | - | 526 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,088,486 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (56,848) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 99 | 99 | 99 | 116,002 |
| 914: Pension and Benefits | 228 | 228 | 228 | 351,951 |
| 915: Injuries and Damages | 228 | 228 | 228 | 161,878 |
| 921: Stores Load | 1,913 | 1,913 | 1,913 | 154,765 |
| 922: Minor Material Load | - | - | - | 202,469 |
| 925: E&S Loads | 2,140 | 2,140 | 2,140 | 789,114 |
| 926: A&G Loads | 1,126 | 1,126 | 1,126 | 359,668 |
| 928: AFUDC Debt | 766 | 747 | 730 | 81,170 |
| 929: AFUDC Equity | 1,036 | 1,010 | 988 | 99,779 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (43,515) | (42,493) | (41,590) | (7,969,181) |
| 825: Closing Cost of Removal | (5,973) | (5,557) | (5,190) | (1,148,193) |
| Project Net | (11,937) | (10,544) | (9,313) | 343,053 |

## Project No: 15200707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,488,330 | 1,201 | 1,201 | 1,201 | 1,491,933 | 1,162 | 1,162 | 1,162 |
| 120: Overtime-General | 48,229 | - | - | - | 48,229 | - | - | - |
| 350: Material Issues-Major | 2,179,896 | 11,406 | 11,406 | 11,406 | 2,214,114 | 11,039 | 11,039 | 11,039 |
| 370: Outside Services | 2,393,999 | 17,409 | 17,409 | 17,409 | 2,446,226 | 16,850 | 16,850 | 16,850 |
| 374: Outside Services Legal | 1,012 | - | - | - | 1,012 | - | - | - |
| 377: Outside Svcs-Temp Labor | 526 | - | - | - | 526 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,088,486 | - | - | - | 1,088,486 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (56,848) | - | - | - | (56,848) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 116,002 | 99 | 99 | 99 | 116,300 | 96 | 96 | 96 |
| 914: Pension and Benefits | 351,951 | 228 | 228 | 228 | 352,636 | 221 | 221 | 221 |
| 915: Injuries and Damages | 161,878 | 228 | 228 | 228 | 162,561 | 220 | 220 | 220 |
| 921: Stores Load | 154,765 | 1,913 | 1,913 | 1,913 | 160,502 | 1,851 | 1,851 | 1,851 |
| 922: Minor Material Load | 202,469 | - | - | - | 202,469 | - | - | - |
| 925: E&S Loads | 789,114 | 2,140 | 2,140 | 2,140 | 795,534 | 2,071 | 2,071 | 2,071 |
| 926: A&G Loads | 359,668 | 1,126 | 1,126 | 1,126 | 363,045 | 1,020 | 1,020 | 1,020 |
| 928: AFUDC Debt | 81,170 | 715 | 702 | 691 | 83,279 | 666 | 655 | 646 |
| 929: AFUDC Equity | 99,779 | 968 | 950 | 935 | 102,632 | 1,051 | 1,034 | 1,019 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,969,181) | (40,791) | (40,084) | (39,458) | (8,089,513) | (38,783) | (38,185) | (37,656) |
| 825: Closing Cost of Removal | (1,148,193) | (4,868) | (4,584) | (4,334) | (1,161,978) | (4,104) | (3,902) | (3,723) |
| Project Net | 343,053 | (8,226) | (7,266) | (6,418) | 321,144 | (6,640) | (5,868) | (5,185) |

## Project No: 15200707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,162 | 1,162 | 1,162 | 1,162 | 1,162 | 1,162 | 1,502,391 |
| 120: Overtime-General | - | - | - | - | - | - | 48,229 |
| 350: Material Issues-Major | 11,039 | 11,039 | 11,039 | 11,039 | 11,039 | 11,039 | 2,313,465 |
| 370: Outside Services | 16,850 | 16,850 | 16,850 | 16,850 | 16,850 | 16,850 | 2,597,876 |
| 374: Outside Services Legal | - | - | - | - | - | - | 1,012 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 526 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,088,486 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (56,848) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 96 | 96 | 96 | 96 | 96 | 96 | 117,163 |
| 914: Pension and Benefits | 221 | 221 | 221 | 221 | 221 | 221 | 354,621 |
| 915: Injuries and Damages | 220 | 220 | 220 | 220 | 220 | 220 | 164,544 |
| 921: Stores Load | 1,851 | 1,851 | 1,851 | 1,851 | 1,851 | 1,851 | 177,162 |
| 922: Minor Material Load | - | - | - | - | - | - | 202,469 |
| 925: E&S Loads | 2,071 | 2,071 | 2,071 | 2,071 | 2,071 | 2,071 | 814,174 |
| 926: A&G Loads | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 372,222 |
| 928: AFUDC Debt | 637 | 630 | 623 | 617 | 612 | 608 | 88,974 |
| 929: AFUDC Equity | 1,006 | 994 | 983 | 974 | 966 | 959 | 111,617 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (37,188) | (36,774) | (36,407) | (36,083) | (35,796) | (35,542) | (8,421,928) |
| 825: Closing Cost of Removal | (3,567) | (3,429) | (3,307) | (3,201) | (3,107) | (3,024) | (1,193,341) |
| Project Net | (4,582) | (4,049) | (3,578) | (3,162) | (2,795) | (2,470) | 282,815 |

**Project No:** **15201707** **Ruidoso Pure Project**

Company: 001 Electric Services
Location: 152 Ruidoso Services Dist

**Project Information** County % Lincoln 100%

Estimated Start Date 12/1/2013

Estimated Completion Date 12/31/2032

Description

The Plant Unit Replacement Equipment Process (PURE) process was designed to allow for all 5 of the PURE assets to be capitalized under a single blanket work order number. This project involves the like-for-like replacement of aging/obsolete or damaged equipment on distribution poles. Physical items identified for replacement include, but are not limited to, lightning arrestors, cross-arms, cut-outs, capacitors, and insulators.

## Project No: 15201707 Ruidoso Pure Project

Project Need Justification

This work is necessary to maintain reliable service and reduce hazards to the public and PNM personnel. NMPRC Rule 17.9.560, Service Standards for Electric Utilities Rules, outlines the requirements for following electrical and safety standards (National Electric Safety Code), minimizing interruption of service, and protective safety measures. Work needed for repairing and replacing aging overhead distribution construction components is identified through routine line patrols, daily work, and responding to outages.

Projects are created based on feeder conditions as determined from line patrols and outage records caused by failure of overhead components. High risk projects that would greatly impact the system if a failure were to occur are addressed immediately. The work identified that does not create an immediate hazard or pose imminent failure risk is scheduled based upon the level of deterioration or condition of the equipment and the overall circuit performance in terms of number of outages and customers affected.

**Project No:** **15201707** **Ruidoso Pure Project**

| | |
|---|---|
| Project Alternatives | Not performing this work may decrease reliability and increase hazards to PNM personnel and the public. No alternatives are available for this project, as it is necessary to ensure system reliability and minimize hazardous risks to PNM personnel and the public. |

**Project No:** **15201707** **Ruidoso Pure Project**

| | |
|---|---|
| Project Estimate Approach | Project work is identified through line patrols and individual project cost estimates of the work are developed through a database where the information is collected. The project's annual spend is established by escalating the most recent 12-month actual spend. The work under this project includes cost for internal labor, material, transportation, and contractors. |

**Project No:** **15201707** **Ruidoso Pure Project**

| | |
|---|---|
| Customer Benefit | Performing this work helps increase reliability to PNM's retail customers. It also assists with reducing public and PNM employee hazards that may be created by failing overhead distribution components. |

## Project No: 15201707 Ruidoso Pure Project

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15201707** **Ruidoso Pure Project**

General Services

Reliability & Resiliency

Repairing failing or damaged overhead components can reduce outages and increase system reliability.

Safety & Security

Repairing failing or damaged overhead distribution components helps to eliminate the potential for public and PNM employee hazard exposures.

Technology Advancements

## Project No: 15201707 Ruidoso Pure Project

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 510,065 | - | - | - | - | - | - | 510,065 |
| 120: Overtime-General | 33,484 | - | - | - | - | - | - | 33,484 |
| 350: Material Issues-Major | 201,466 | - | - | - | - | - | - | 201,466 |
| 370: Outside Services | 740,189 | 25,910 | 25,910 | 25,910 | 25,910 | 25,910 | 25,910 | 895,650 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 426,145 | - | - | - | - | - | - | 426,145 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 41,593 | - | - | - | - | - | - | 41,593 |
| 914: Pension and Benefits | 127,889 | - | - | - | - | - | - | 127,889 |
| 915: Injuries and Damages | 49,104 | - | - | - | - | - | - | 49,104 |
| 921: Stores Load | 12,409 | - | - | - | - | - | - | 12,409 |
| 922: Minor Material Load | 29,000 | - | - | - | - | - | - | 29,000 |
| 925: E&S Loads | 214,477 | 1,684 | 1,684 | 1,684 | 1,684 | 1,684 | 1,684 | 224,582 |
| 926: A&G Loads | 87,997 | 1,347 | 1,347 | 1,347 | 1,347 | 1,347 | 1,347 | 96,081 |
| 928: AFUDC Debt | 4,275 | - | - | - | - | - | - | 4,275 |
| 929: AFUDC Equity | 5,520 | - | - | - | - | - | - | 5,520 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,085,989) | (62,241) | - | - | (80,747) | - | (53,832) | (2,282,809) |
| 825: Closing Cost of Removal | (360,060) | (4,264) | - | - | (6,078) | - | (4,052) | (374,454) |
| Project Net | 37,564 | (37,564) | 28,942 | 28,942 | (57,883) | 28,942 | (28,942) | - |

## Project No: 15201707 Ruidoso Pure Project

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 510,065 | - | - | - | - | - | - |
| 120: Overtime-General | 33,484 | - | - | - | - | - | - |
| 350: Material Issues-Major | 201,466 | - | - | - | - | - | - |
| 370: Outside Services | 895,650 | 22,540 | 22,540 | 22,540 | 22,540 | 22,540 | 22,540 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 426,145 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 41,593 | - | - | - | - | - | - |
| 914: Pension and Benefits | 127,889 | - | - | - | - | - | - |
| 915: Injuries and Damages | 49,104 | - | - | - | - | - | - |
| 921: Stores Load | 12,409 | - | - | - | - | - | - |
| 922: Minor Material Load | 29,000 | - | - | - | - | - | - |
| 925: E&S Loads | 224,582 | 1,578 | 1,578 | 1,578 | 1,578 | 1,578 | 1,578 |
| 926: A&G Loads | 96,081 | 845 | 845 | 845 | 845 | 845 | 845 |
| 928: AFUDC Debt | 4,275 | - | - | - | - | - | - |
| 929: AFUDC Equity | 5,520 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,282,809) | - | - | - | (92,863) | - | - |
| 825: Closing Cost of Removal | (374,454) | - | - | - | (6,990) | - | - |
| Project Net | - | 24,963 | 24,963 | 24,963 | (74,889) | 24,963 | 24,963 |

## Project No: 15201707 Ruidoso Pure Project

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 510,065 |
| 120: Overtime-General | - | - | - | 33,484 |
| 350: Material Issues-Major | - | - | - | 201,466 |
| 370: Outside Services | 22,540 | 22,540 | 22,540 | 1,098,510 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 426,145 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 41,593 |
| 914: Pension and Benefits | - | - | - | 127,889 |
| 915: Injuries and Damages | - | - | - | 49,104 |
| 921: Stores Load | - | - | - | 12,409 |
| 922: Minor Material Load | - | - | - | 29,000 |
| 925: E&S Loads | 1,578 | 1,578 | 1,578 | 238,782 |
| 926: A&G Loads | 845 | 845 | 845 | 103,688 |
| 928: AFUDC Debt | - | - | - | 4,275 |
| 929: AFUDC Equity | - | - | - | 5,520 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (69,647) | - | - | (2,445,318) |
| 825: Closing Cost of Removal | (5,242) | - | - | (386,686) |
| Project Net | (49,926) | 24,963 | 24,963 | 49,926 |

## Project No: 15201707 Ruidoso Pure Project

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 510,065 | - | - | - | 510,065 | - | - | - |
| 120: Overtime-General | 33,484 | - | - | - | 33,484 | - | - | - |
| 350: Material Issues-Major | 201,466 | - | - | - | 201,466 | - | - | - |
| 370: Outside Services | 1,098,510 | 22,540 | 22,540 | 22,540 | 1,166,130 | 23,204 | 23,204 | 23,204 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 426,145 | - | - | - | 426,145 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 41,593 | - | - | - | 41,593 | - | - | - |
| 914: Pension and Benefits | 127,889 | - | - | - | 127,889 | - | - | - |
| 915: Injuries and Damages | 49,104 | - | - | - | 49,104 | - | - | - |
| 921: Stores Load | 12,409 | - | - | - | 12,409 | - | - | - |
| 922: Minor Material Load | 29,000 | - | - | - | 29,000 | - | - | - |
| 925: E&S Loads | 238,782 | 1,578 | 1,578 | 1,578 | 243,515 | 1,624 | 1,624 | 1,624 |
| 926: A&G Loads | 103,688 | 845 | 845 | 845 | 106,224 | 814 | 814 | 814 |
| 928: AFUDC Debt | 4,275 | - | - | - | 4,275 | - | - | - |
| 929: AFUDC Equity | 5,520 | - | - | - | 5,520 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,445,318) | (69,647) | - | (46,431) | (2,561,397) | - | - | - |
| 825: Closing Cost of Removal | (386,686) | (5,242) | - | (3,495) | (395,423) | - | - | - |
| Project Net | 49,926 | (49,926) | 24,963 | (24,963) | - | 25,643 | 25,643 | 25,643 |

## Project No: 15201707 Ruidoso Pure Project

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 510,065 |
| 120: Overtime-General | - | - | - | - | - | - | 33,484 |
| 350: Material Issues-Major | - | - | - | - | - | - | 201,466 |
| 370: Outside Services | 23,204 | 23,204 | 23,204 | 23,204 | 23,204 | 23,204 | 1,374,966 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 426,145 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 41,593 |
| 914: Pension and Benefits | - | - | - | - | - | - | 127,889 |
| 915: Injuries and Damages | - | - | - | - | - | - | 49,104 |
| 921: Stores Load | - | - | - | - | - | - | 12,409 |
| 922: Minor Material Load | - | - | - | - | - | - | 29,000 |
| 925: E&S Loads | 1,624 | 1,624 | 1,624 | 1,624 | 1,624 | 1,624 | 258,134 |
| 926: A&G Loads | 814 | 814 | 814 | 814 | 814 | 814 | 113,554 |
| 928: AFUDC Debt | - | - | - | - | - | - | 4,275 |
| 929: AFUDC Equity | - | - | - | - | - | - | 5,520 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (95,391) | - | - | (71,543) | - | - | (2,728,331) |
| 825: Closing Cost of Removal | (7,180) | - | - | (5,385) | - | - | (407,988) |
| Project Net | (76,928) | 25,643 | 25,643 | (51,285) | 25,643 | 25,643 | 51,285 |

## Project No: 15202025 Ruidoso Hospital Upgrade

Company: 001 Electric Services
Location: 152 Ruidoso Services Dist

**Project Information**

County % Lincoln 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 8/31/2028

Description

This project will install an auto throw over switchgear to provide redundancy for Ruidoso Hospital and other critical infrastructure in the area. This will provide a feeder backup in the event there is a loss of power.

## Project No: 15202025 Ruidoso Hospital Upgrade

Project Need Justification

The area is currently served by only one feeder. As a result, an unplanned outage could cause extended outages for Ruidoso's hospital, other EMS functions, and other critical infrastructure.

**Project No:** **15202025** **Ruidoso Hospital Upgrade**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing and leave this area with a single feeder. Due to the risk for longer outages without a backup, this alternative was not considered. |

**Project No:** **15202025** **Ruidoso Hospital Upgrade**

| | |
|---|---|
| Project Estimate Approach | This estimate was based on past PNM projects with similar scope. |

**Project No:** **15202025** **Ruidoso Hospital Upgrade**

| | |
|---|---|
| Customer Benefit | This project will result in faster restoration times during unforeseen outages. Two feeders also allow for growth if upgrades are required in this area. |

**Project No:** **15202025** **Ruidoso Hospital Upgrade**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **15202025** **Ruidoso Hospital Upgrade**

General Services

Reliability & Resiliency

This will lead to a reduction in SAIDI because it allows the crews and DOC operations to have more flexibility to switch and restore power in the area if there is an unforseen outage.

Safety & Security

Technology Advancements

## Project No: 15202025 Ruidoso Hospital 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: 15202025 Ruidoso Hospital Upgrade

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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:** **15202025** **Ruidoso Hospital Upgrade**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 15202025 Ruidoso Hospital Upgrade

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 59,746 | 49,347 |
| 370: Outside Services | - | - | - | - | - | 1,000,000 | 10,000 | 85,000 |
| 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 | - | - | - | - | - | - | 10,018 | 8,275 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | 70,000 | 4,882 | 9,404 |
| 926: A&G Loads | - | - | - | - | - | 35,100 | 2,448 | 4,716 |
| 928: AFUDC Debt | - | - | - | - | - | 1,121 | 2,337 | 2,597 |
| 929: AFUDC Equity | - | - | - | - | - | 1,769 | 3,687 | 4,098 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | 1,107,990 | 93,118 | 163,436 |

## Project No: 15202025 Ruidoso Hospital Upgrade

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 17,954 | - | - | - | - | - | 127,047 |
| 370: Outside Services | 130,397 | 60,000 | 10,865 | 3,000 | 701 | - | 1,299,963 |
| 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 | 3,011 | - | - | - | - | - | 21,303 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 10,385 | 4,200 | 761 | 210 | 49 | - | 99,891 |
| 926: A&G Loads | 5,207 | 2,106 | 381 | 105 | 25 | - | 50,088 |
| 928: AFUDC Debt | 2,940 | 3,193 | 3,291 | 3,325 | 3,348 | - | 22,151 |
| 929: AFUDC Equity | 4,639 | 5,038 | 5,192 | 5,245 | 5,282 | - | 34,948 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (1,543,511) | - | (1,543,511) |
| 825: Closing Cost of Removal | - | - | - | - | (111,880) | - | (111,880) |
| Project Net | 174,532 | 74,537 | 20,489 | 11,886 | (1,645,988) | - | (0) |

## Project No: 15500607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 155 Silver City Services Dist

**Project Information**

| County % | | |
|---|---|---|
| Grant | 91% | |
| Hidalgo | 9% | |

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 15500607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **15500607** **Distr. Remove & Replace**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative. |

## Project No: 15500607 Distr. Remove & Replace

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of our facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **15500607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increased equipment reliability by maintaining the distribution system integrity. |

## Project No: 15500607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 15500607 Distr. Remove & Replace

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 15500607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,596,551 | - | - | - | - | - | - | 2,596,551 |
| 120: Overtime-General | 390,129 | - | - | - | - | - | - | 390,129 |
| 350: Material Issues-Major | 1,818,360 | - | - | - | - | - | - | 1,818,360 |
| 370: Outside Services | 3,521,987 | - | - | - | - | - | - | 3,521,987 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,320,066 | - | - | - | - | - | - | 2,320,066 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (568,311) | - | - | - | - | - | - | (568,311) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 222,671 | - | - | - | - | - | - | 222,671 |
| 914: Pension and Benefits | 764,631 | - | - | - | - | - | - | 764,631 |
| 915: Injuries and Damages | 238,174 | - | - | - | - | - | - | 238,174 |
| 921: Stores Load | 126,710 | - | - | - | - | - | - | 126,710 |
| 922: Minor Material Load | 269,793 | - | - | - | - | - | - | 269,793 |
| 925: E&S Loads | 1,205,107 | - | - | - | - | - | - | 1,205,107 |
| 926: A&G Loads | 457,488 | - | - | - | - | - | - | 457,488 |
| 928: AFUDC Debt | 48 | - | - | - | - | - | - | 48 |
| 929: AFUDC Equity | 11 | - | - | - | - | - | - | 11 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,495,248) | (148) | (130) | (114) | (101) | (89) | (78) | (10,495,907) |
| 825: Closing Cost of Removal | (2,788,416) | (9,422) | (8,292) | (7,297) | (6,421) | (5,651) | (4,973) | (2,830,471) |
| Project Net | 79,751 | (9,570) | (8,422) | (7,411) | (6,522) | (5,739) | (5,050) | 37,037 |

**Project No:** **15500607** **Distr. Remove & Replace**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,596,551 | - | - | - | - | - | - |
| 120: Overtime-General | 390,129 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,818,360 | - | - | - | - | - | - |
| 370: Outside Services | 3,521,987 | 37,098 | 37,098 | 37,098 | 37,098 | 37,098 | 37,098 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,320,066 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (568,311) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 222,671 | - | - | - | - | - | - |
| 914: Pension and Benefits | 764,631 | - | - | - | - | - | - |
| 915: Injuries and Damages | 238,174 | - | - | - | - | - | - |
| 921: Stores Load | 126,710 | - | - | - | - | - | - |
| 922: Minor Material Load | 269,793 | - | - | - | - | - | - |
| 925: E&S Loads | 1,205,107 | 2,597 | 2,597 | 2,597 | 2,597 | 2,597 | 2,597 |
| 926: A&G Loads | 457,488 | 1,391 | 1,391 | 1,391 | 1,391 | 1,391 | 1,391 |
| 928: AFUDC Debt | 48 | - | - | - | - | - | - |
| 929: AFUDC Equity | 11 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,495,907) | (4,654) | (8,681) | (12,224) | (15,342) | (18,087) | (20,501) |
| 825: Closing Cost of Removal | (2,830,471) | (4,721) | (4,500) | (4,305) | (4,133) | (3,982) | (3,850) |
| Project Net | 37,037 | 31,711 | 27,906 | 24,557 | 21,610 | 19,017 | 16,735 |

## Project No: 15500607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 2,596,551 |
| 120: Overtime-General | - | - | - | 390,129 |
| 350: Material Issues-Major | - | - | - | 1,818,360 |
| 370: Outside Services | 37,098 | 37,098 | 37,098 | 3,855,869 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 2,320,066 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (568,311) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 222,671 |
| 914: Pension and Benefits | - | - | - | 764,631 |
| 915: Injuries and Damages | - | - | - | 238,174 |
| 921: Stores Load | - | - | - | 126,710 |
| 922: Minor Material Load | - | - | - | 269,793 |
| 925: E&S Loads | 2,597 | 2,597 | 2,597 | 1,228,479 |
| 926: A&G Loads | 1,391 | 1,391 | 1,391 | 470,009 |
| 928: AFUDC Debt | - | - | - | 48 |
| 929: AFUDC Equity | - | - | - | 11 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (22,626) | (24,496) | (26,142) | (10,648,661) |
| 825: Closing Cost of Removal | (3,733) | (3,630) | (3,540) | (2,866,863) |
| Project Net | 14,727 | 12,960 | 11,404 | 217,665 |

## Project No: 15500607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,596,551 | - | - | - | 2,596,551 | - | - | - |
| 120: Overtime-General | 390,129 | - | - | - | 390,129 | - | - | - |
| 350: Material Issues-Major | 1,818,360 | - | - | - | 1,818,360 | - | - | - |
| 370: Outside Services | 3,855,869 | 37,098 | 37,098 | 37,098 | 3,967,163 | 36,489 | 36,489 | 36,489 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,320,066 | - | - | - | 2,320,066 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (568,311) | - | - | - | (568,311) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 222,671 | - | - | - | 222,671 | - | - | - |
| 914: Pension and Benefits | 764,631 | - | - | - | 764,631 | - | - | - |
| 915: Injuries and Damages | 238,174 | - | - | - | 238,174 | - | - | - |
| 921: Stores Load | 126,710 | - | - | - | 126,710 | - | - | - |
| 922: Minor Material Load | 269,793 | - | - | - | 269,793 | - | - | - |
| 925: E&S Loads | 1,228,479 | 2,597 | 2,597 | 2,597 | 1,236,270 | 2,554 | 2,554 | 2,554 |
| 926: A&G Loads | 470,009 | 1,391 | 1,391 | 1,391 | 474,182 | 1,281 | 1,281 | 1,281 |
| 928: AFUDC Debt | 48 | - | - | - | 48 | - | - | - |
| 929: AFUDC Equity | 11 | - | - | - | 11 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,648,661) | (27,590) | (28,865) | (29,986) | (10,735,102) | (30,888) | (31,681) | (32,380) |
| 825: Closing Cost of Removal | (2,866,863) | (3,460) | (3,390) | (3,328) | (2,877,041) | (3,268) | (3,214) | (3,167) |
| Project Net | 217,665 | 10,036 | 8,832 | 7,772 | 244,304 | 6,169 | 5,428 | 4,777 |

## Project No: 15500607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,596,551 |
| 120: Overtime-General | - | - | - | - | - | - | 390,129 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,818,360 |
| 370: Outside Services | 36,489 | 36,489 | 36,489 | 36,489 | 36,489 | 36,489 | 4,295,564 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 2,320,066 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (568,311) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 222,671 |
| 914: Pension and Benefits | - | - | - | - | - | - | 764,631 |
| 915: Injuries and Damages | - | - | - | - | - | - | 238,174 |
| 921: Stores Load | - | - | - | - | - | - | 126,710 |
| 922: Minor Material Load | - | - | - | - | - | - | 269,793 |
| 925: E&S Loads | 2,554 | 2,554 | 2,554 | 2,554 | 2,554 | 2,554 | 1,259,258 |
| 926: A&G Loads | 1,281 | 1,281 | 1,281 | 1,281 | 1,281 | 1,281 | 485,709 |
| 928: AFUDC Debt | - | - | - | - | - | - | 48 |
| 929: AFUDC Equity | - | - | - | - | - | - | 11 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (32,994) | (33,535) | (34,011) | (34,430) | (34,799) | (35,123) | (11,034,943) |
| 825: Closing Cost of Removal | (3,126) | (3,089) | (3,057) | (3,029) | (3,004) | (2,983) | (2,904,979) |
| Project Net | 4,204 | 3,699 | 3,255 | 2,865 | 2,521 | 2,218 | 279,441 |

## Project No: 15500707 Distr. system Improvements

Company: 001 Electric Services
Location: 155 Silver City Services Dist

**Project Information**

| County % | |
|---|---|
| Grant | 91% |
| Hidalgo | 9% |

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

**Project No:** **15500707** **Distr. system Improvements**

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **15500707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

**Project No:** **15500707** **Distr. system Improvements**

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **15500707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 15500707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **15500707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 15500707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,907,567 | - | - | - | - | - | - | 1,907,567 |
| 120: Overtime-General | 58,612 | - | - | - | - | - | - | 58,612 |
| 350: Material Issues-Major | 1,865,733 | - | - | - | - | - | - | 1,865,733 |
| 370: Outside Services | 1,488,179 | - | - | - | - | - | - | 1,488,179 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 180 | - | - | - | - | - | - | 180 |
| 610: Expenses - General | 1,337,761 | - | - | - | - | - | - | 1,337,761 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (196,887) | - | - | - | - | - | - | (196,887) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 146,062 | - | - | - | - | - | - | 146,062 |
| 914: Pension and Benefits | 503,200 | - | - | - | - | - | - | 503,200 |
| 915: Injuries and Damages | 153,560 | - | - | - | - | - | - | 153,560 |
| 921: Stores Load | 71,470 | - | - | - | - | - | - | 71,470 |
| 922: Minor Material Load | 232,721 | - | - | - | - | - | - | 232,721 |
| 925: E&S Loads | 824,353 | - | - | - | - | - | - | 824,353 |
| 926: A&G Loads | 347,664 | - | - | - | - | - | - | 347,664 |
| 928: AFUDC Debt | 111,147 | 1,957 | - | - | - | - | - | 113,104 |
| 929: AFUDC Equity | 137,055 | 2,086 | - | - | - | - | - | 139,141 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,104,894) | (797,946) | - | - | - | - | - | (7,902,840) |
| 825: Closing Cost of Removal | (1,002,468) | (87,112) | - | - | - | - | - | (1,089,579) |
| Project Net | 881,014 | (881,014) | - | - | - | - | - | - |

## Project No: 15500707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,907,567 | - | - | - | - | - | - |
| 120: Overtime-General | 58,612 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,865,733 | - | - | - | - | - | - |
| 370: Outside Services | 1,488,179 | 65,783 | 65,783 | 65,783 | 65,783 | 65,783 | 65,783 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 180 | - | - | - | - | - | - |
| 610: Expenses - General | 1,337,761 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (196,887) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 146,062 | - | - | - | - | - | - |
| 914: Pension and Benefits | 503,200 | - | - | - | - | - | - |
| 915: Injuries and Damages | 153,560 | - | - | - | - | - | - |
| 921: Stores Load | 71,470 | - | - | - | - | - | - |
| 922: Minor Material Load | 232,721 | - | - | - | - | - | - |
| 925: E&S Loads | 824,353 | 4,605 | 4,605 | 4,605 | 4,605 | 4,605 | 4,605 |
| 926: A&G Loads | 347,664 | 2,467 | 2,467 | 2,467 | 2,467 | 2,467 | 2,467 |
| 928: AFUDC Debt | 113,104 | 75 | 208 | 326 | 430 | 522 | 604 |
| 929: AFUDC Equity | 139,141 | 102 | 282 | 441 | 582 | 707 | 817 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,902,840) | (8,152) | (15,363) | (21,742) | (27,385) | (32,377) | (36,793) |
| 825: Closing Cost of Removal | (1,089,579) | (612) | (1,151) | (1,624) | (2,041) | (2,408) | (2,731) |
| Project Net | - | 64,268 | 56,831 | 50,255 | 44,440 | 39,298 | 34,751 |

## Project No: 15500707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,907,567 |
| 120: Overtime-General | - | - | - | 58,612 |
| 350: Material Issues-Major | - | - | - | 1,865,733 |
| 370: Outside Services | 65,783 | 65,783 | 65,783 | 2,080,226 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | 180 |
| 610: Expenses - General | - | - | - | 1,337,761 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (196,887) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 146,062 |
| 914: Pension and Benefits | - | - | - | 503,200 |
| 915: Injuries and Damages | - | - | - | 153,560 |
| 921: Stores Load | - | - | - | 71,470 |
| 922: Minor Material Load | - | - | - | 232,721 |
| 925: E&S Loads | 4,605 | 4,605 | 4,605 | 865,797 |
| 926: A&G Loads | 2,467 | 2,467 | 2,467 | 369,865 |
| 928: AFUDC Debt | 676 | 740 | 796 | 117,481 |
| 929: AFUDC Equity | 914 | 1,000 | 1,077 | 145,063 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (40,699) | (44,154) | (47,211) | (8,176,717) |
| 825: Closing Cost of Removal | (3,016) | (3,266) | (3,486) | (1,109,915) |
| Project Net | 30,730 | 27,174 | 24,030 | 371,779 |

## Project No: 15500707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,907,567 | - | - | - | 1,907,567 | - | - | - |
| 120: Overtime-General | 58,612 | - | - | - | 58,612 | - | - | - |
| 350: Material Issues-Major | 1,865,733 | - | - | - | 1,865,733 | - | - | - |
| 370: Outside Services | 2,080,226 | 65,783 | 65,783 | 65,783 | 2,277,575 | 64,754 | 64,754 | 64,754 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 180 | - | - | - | 180 | - | - | - |
| 610: Expenses - General | 1,337,761 | - | - | - | 1,337,761 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (196,887) | - | - | - | (196,887) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 146,062 | - | - | - | 146,062 | - | - | - |
| 914: Pension and Benefits | 503,200 | - | - | - | 503,200 | - | - | - |
| 915: Injuries and Damages | 153,560 | - | - | - | 153,560 | - | - | - |
| 921: Stores Load | 71,470 | - | - | - | 71,470 | - | - | - |
| 922: Minor Material Load | 232,721 | - | - | - | 232,721 | - | - | - |
| 925: E&S Loads | 865,797 | 4,605 | 4,605 | 4,605 | 879,611 | 4,533 | 4,533 | 4,533 |
| 926: A&G Loads | 369,865 | 2,467 | 2,467 | 2,467 | 377,266 | 2,273 | 2,273 | 2,273 |
| 928: AFUDC Debt | 117,481 | 846 | 890 | 929 | 120,146 | 943 | 971 | 996 |
| 929: AFUDC Equity | 145,063 | 1,144 | 1,204 | 1,257 | 148,667 | 1,488 | 1,532 | 1,571 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (8,176,717) | (49,915) | (52,307) | (54,423) | (8,333,362) | (56,170) | (57,716) | (59,085) |
| 825: Closing Cost of Removal | (1,109,915) | (3,680) | (3,850) | (4,000) | (1,121,444) | (4,121) | (4,228) | (4,321) |
| Project Net | 371,779 | 21,250 | 18,791 | 16,617 | 428,437 | 13,700 | 12,119 | 10,721 |

## Project No: 15500707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,907,567 |
| 120: Overtime-General | - | - | - | - | - | - | 58,612 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,865,733 |
| 370: Outside Services | 64,754 | 64,754 | 64,754 | 64,754 | 64,754 | 64,754 | 2,860,361 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | 180 |
| 610: Expenses - General | - | - | - | - | - | - | 1,337,761 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (196,887) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 146,062 |
| 914: Pension and Benefits | - | - | - | - | - | - | 503,200 |
| 915: Injuries and Damages | - | - | - | - | - | - | 153,560 |
| 921: Stores Load | - | - | - | - | - | - | 71,470 |
| 922: Minor Material Load | - | - | - | - | - | - | 232,721 |
| 925: E&S Loads | 4,533 | 4,533 | 4,533 | 4,533 | 4,533 | 4,533 | 920,406 |
| 926: A&G Loads | 2,273 | 2,273 | 2,273 | 2,273 | 2,273 | 2,273 | 397,722 |
| 928: AFUDC Debt | 1,018 | 1,037 | 1,054 | 1,069 | 1,083 | 1,095 | 129,413 |
| 929: AFUDC Equity | 1,606 | 1,636 | 1,663 | 1,687 | 1,709 | 1,727 | 163,288 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (60,295) | (61,367) | (62,315) | (63,154) | (63,897) | (64,554) | (8,881,914) |
| 825: Closing Cost of Removal | (4,404) | (4,477) | (4,540) | (4,597) | (4,646) | (4,690) | (1,161,468) |
| Project Net | 9,484 | 8,390 | 7,422 | 6,566 | 5,808 | 5,138 | 507,785 |

## Project No: 15501707 Silver City Pure Project

Company: 001 Electric Services
Location: 155 Silver City Services Dist

**Project Information**

| County % | |
|---|---|
| Grant | 91% |
| Hidalgo | 9% |

Estimated Start Date 12/3/2013

Estimated Completion Date 12/31/2032

Description

The Plant Unit Replacement Equipment Process (PURE) process was designed to allow for all 5 of the PURE assets to be capitalized under a single blanket work order number. This project involves the replacement of damaged or obsolete equipment in PNM's distribution system. The specific equipment to be replaced typically includes lightning arrestors, cross-arms, cut-outs, capacitors, and insulators.

**Project No:** **15501707** **Silver City Pure Project**

Project Need Justification

Replacing damaged or obsolete equipment in the distribution system ensures that PNM maintains reliable service while reducing hazardous conditions, which improves safety for PNM personnel, customers, and the public. NMPRC Rule 17.9.560, Service Standards for Electric Utilities Rules, outlines the requirements for following electrical and safety standards (National Electric Safety Code), minimizing interruption of service, and protective safety measures. Work needed for repairing and replacing aging distribution components is identified during routine inspections, line patrols, as well as responding to outages.

**Project No:** **15501707** **Silver City Pure Project**

| | |
|---|---|
| Project Alternatives | Not replacing damaged or obsolete equipment in the distribution system will not ensure system reliability and expose PNM personnel, customers, and the public to hazardous risks. |

## Project No: 15501707 Silver City Pure Project

| | |
|---|---|
| Project Estimate Approach | PNM maintains detailed historical records of equipment replacement activities. These records allow PNM to estimate typical future annual replacement projections and needs. This project estimate is established by analyzing the most recent 12-month actual spend to estimate costs for the forecast period. The project includes costs for internal labor, equipment, materials, transportation, and contractors if they are needed. |

**Project No:** **15501707** **Silver City Pure Project**

| | |
|---|---|
| Customer Benefit | Replacing damaged and obsolete equipment increases reliability of PNM's distribution system while also improving safety conditions for PNM employees, customers, and the public. |

## Project No: 15501707 Silver City Pure Project

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 15501707 Silver City Pure Project

General Services

Reliability & Resiliency

Replacing damaged or obsolete distribution components reduces outages and increases overall system reliability.

Safety & Security

Replacing damaged or obsolete distribution components reduces PNM employee, customer, and public exposure to possible hazards and increases the overall safety of the distribution system.

Technology Advancements

## Project No: 15501707 Silver City Pure Project

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,177,156 | - | - | - | - | - | - | 1,177,156 |
| 120: Overtime-General | 297,106 | - | - | - | - | - | - | 297,106 |
| 350: Material Issues-Major | 443,183 | - | - | - | - | - | - | 443,183 |
| 370: Outside Services | 903,559 | 122,942 | 122,942 | 122,941 | 122,942 | 122,942 | 122,942 | 1,641,212 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,243,063 | - | - | - | - | - | - | 1,243,063 |
| 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 | 112,562 | - | - | - | - | - | - | 112,562 |
| 914: Pension and Benefits | 325,476 | - | - | - | - | - | - | 325,476 |
| 915: Injuries and Damages | 171,846 | - | - | - | - | - | - | 171,846 |
| 921: Stores Load | 18,595 | - | - | - | - | - | - | 18,595 |
| 922: Minor Material Load | 72,979 | - | - | - | - | - | - | 72,979 |
| 925: E&S Loads | 386,384 | 7,991 | 7,991 | 7,991 | 7,991 | 7,991 | 7,991 | 434,331 |
| 926: A&G Loads | 164,196 | 6,393 | 6,393 | 6,393 | 6,393 | 6,393 | 6,393 | 202,554 |
| 928: AFUDC Debt | 20,408 | - | - | - | - | - | - | 20,408 |
| 929: AFUDC Equity | 25,308 | - | - | - | - | - | - | 25,308 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,014,364) | (708,810) | - | - | (383,140) | - | (255,427) | (5,361,741) |
| 825: Closing Cost of Removal | (720,828) | (55,146) | - | - | (28,839) | - | (19,226) | (824,038) |
| Project Net | 626,630 | (626,630) | 137,327 | 137,325 | (274,652) | 137,327 | (137,327) | - |

## Project No: 15501707 Silver City Pure Project

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,177,156 | - | - | - | - | - | - |
| 120: Overtime-General | 297,106 | - | - | - | - | - | - |
| 350: Material Issues-Major | 443,183 | - | - | - | - | - | - |
| 370: Outside Services | 1,641,212 | 67,621 | 67,621 | 67,621 | 67,621 | 67,621 | 67,621 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,243,063 | - | - | - | - | - | - |
| 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 | 112,562 | - | - | - | - | - | - |
| 914: Pension and Benefits | 325,476 | - | - | - | - | - | - |
| 915: Injuries and Damages | 171,846 | - | - | - | - | - | - |
| 921: Stores Load | 18,595 | - | - | - | - | - | - |
| 922: Minor Material Load | 72,979 | - | - | - | - | - | - |
| 925: E&S Loads | 434,331 | 4,733 | 4,733 | 4,733 | 4,733 | 4,733 | 4,733 |
| 926: A&G Loads | 202,554 | 2,536 | 2,536 | 2,536 | 2,536 | 2,536 | 2,536 |
| 928: AFUDC Debt | 20,408 | - | - | - | - | - | - |
| 929: AFUDC Equity | 25,308 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,361,741) | - | - | - | (278,592) | - | - |
| 825: Closing Cost of Removal | (824,038) | - | - | - | (20,969) | - | - |
| Project Net | - | 74,890 | 74,890 | 74,890 | (224,671) | 74,890 | 74,890 |

## Project No: 15501707 Silver City Pure Project

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,177,156 |
| 120: Overtime-General | - | - | - | 297,106 |
| 350: Material Issues-Major | - | - | - | 443,183 |
| 370: Outside Services | 67,621 | 67,621 | 67,621 | 2,249,801 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,243,063 |
| 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 | - | - | - | 112,562 |
| 914: Pension and Benefits | - | - | - | 325,476 |
| 915: Injuries and Damages | - | - | - | 171,846 |
| 921: Stores Load | - | - | - | 18,595 |
| 922: Minor Material Load | - | - | - | 72,979 |
| 925: E&S Loads | 4,733 | 4,733 | 4,733 | 476,932 |
| 926: A&G Loads | 2,536 | 2,536 | 2,536 | 225,376 |
| 928: AFUDC Debt | - | - | - | 20,408 |
| 929: AFUDC Equity | - | - | - | 25,308 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (208,944) | - | - | (5,849,276) |
| 825: Closing Cost of Removal | (15,727) | - | - | (860,734) |
| Project Net | (149,781) | 74,890 | 74,890 | 149,781 |

## Project No: 15501707 Silver City Pure Project

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,177,156 | - | - | - | 1,177,156 | - | - | - |
| 120: Overtime-General | 297,106 | - | - | - | 297,106 | - | - | - |
| 350: Material Issues-Major | 443,183 | - | - | - | 443,183 | - | - | - |
| 370: Outside Services | 2,249,801 | 67,621 | 67,621 | 67,621 | 2,452,664 | 69,610 | 69,610 | 69,610 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,243,063 | - | - | - | 1,243,063 | - | - | - |
| 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 | 112,562 | - | - | - | 112,562 | - | - | - |
| 914: Pension and Benefits | 325,476 | - | - | - | 325,476 | - | - | - |
| 915: Injuries and Damages | 171,846 | - | - | - | 171,846 | - | - | - |
| 921: Stores Load | 18,595 | - | - | - | 18,595 | - | - | - |
| 922: Minor Material Load | 72,979 | - | - | - | 72,979 | - | - | - |
| 925: E&S Loads | 476,932 | 4,733 | 4,733 | 4,733 | 491,133 | 4,873 | 4,873 | 4,873 |
| 926: A&G Loads | 225,376 | 2,536 | 2,536 | 2,536 | 232,983 | 2,443 | 2,443 | 2,443 |
| 928: AFUDC Debt | 20,408 | - | - | - | 20,408 | - | - | - |
| 929: AFUDC Equity | 25,308 | - | - | - | 25,308 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,849,276) | (208,944) | - | (139,296) | (6,197,516) | - | - | - |
| 825: Closing Cost of Removal | (860,734) | (15,727) | - | (10,485) | (886,946) | - | - | - |
| Project Net | 149,781 | (149,781) | 74,890 | (74,890) | - | 76,926 | 76,926 | 76,926 |

## Project No: 15501707 Silver City Pure Project

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,177,156 |
| 120: Overtime-General | - | - | - | - | - | - | 297,106 |
| 350: Material Issues-Major | - | - | - | - | - | - | 443,183 |
| 370: Outside Services | 69,610 | 69,610 | 69,610 | 69,610 | 69,610 | 69,610 | 3,079,154 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,243,063 |
| 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 | - | - | - | - | - | - | 112,562 |
| 914: Pension and Benefits | - | - | - | - | - | - | 325,476 |
| 915: Injuries and Damages | - | - | - | - | - | - | 171,846 |
| 921: Stores Load | - | - | - | - | - | - | 18,595 |
| 922: Minor Material Load | - | - | - | - | - | - | 72,979 |
| 925: E&S Loads | 4,873 | 4,873 | 4,873 | 4,873 | 4,873 | 4,873 | 534,987 |
| 926: A&G Loads | 2,443 | 2,443 | 2,443 | 2,443 | 2,443 | 2,443 | 254,973 |
| 928: AFUDC Debt | - | - | - | - | - | - | 20,408 |
| 929: AFUDC Equity | - | - | - | - | - | - | 25,308 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (286,165) | - | - | (214,624) | - | - | (6,698,304) |
| 825: Closing Cost of Removal | (21,539) | - | - | (16,154) | - | - | (924,640) |
| Project Net | (230,778) | 76,926 | 76,926 | (153,852) | 76,926 | 76,926 | 153,852 |

## Project No: 15502321 Gila National Forest CO1

Company: 001 Electric Services
Location: 155 Silver City Services Dist

**Project Information** County % Grant 100%

Estimated Start Date 7/7/2021

Estimated Completion Date 12/31/2026

Description

PNM has established a Wildfire Mitigation Program (WMP) to identify risk drivers and develop tactics and strategies to mitigate wildfires. The dollars being requested will be used to extend the rights of way (ROWs) in the Gila National Forest (GNF) to 40 feet to reduce the exposure and risk of vegetation caused outages and wildfires.

## Project No: 15502321 Gila National Forest CO1

Project Need Justification

In recent years, the western United States has seen an increase in damaging wildfire activity. Both climatologists and fire scientists anticipate longer fire seasons and more extreme fire behavior in future years. This new normal will require new coping strategies. To address the risk of wildfires, PNM has established an agreement with the Gila National Forest to extend rights of ways and avoid hazard trees.

**Project No:** **15502321** **Gila National Forest CO1**

| | |
|---|---|
| Project Alternatives | The only alternative is to do nothing, which would delay the response needed by PNM to ensure it is working to reduce the risk and intensity of wildfire events. |

**Project No:** **15502321 Gila National Forest CO1**

Project Estimate Approach

Determined cost of the following to determine projected spend:
1.Develop an Environmental Assessment (EA) with backup reports to include:
a.Develop a Biological Assessment
b.Memorandum of Agreement to do Cultural Surveys along all portions of lines that had never been surveyed before work, including Vegetation Management (VM) could proceed – this might be over several years as projects started.
c.Concerted effort to perform VM.
d.Development of an Operations Plan, including Categorization of levels of ROW disturbance – from inspections and surveys, etc. being the lowest threshold to new line construction outside of our current ROW boundaries.
2.Initial estimate of cultural resource surveys (thought 2 years, but things have lagged mainly due to GNF inaction – accountability)

**Project No:** **15502321 Gila National Forest CO1**

| | |
|---|---|
| Customer Benefit | This project will serve as a blueprint to help reduce the risk of PNM infrastructure or operations being the cause of unwanted wild land fire ignitions on Forest Service property. |

**Project No:** **15502321** **Gila National Forest CO1**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

**Project No:** **15502321** **Gila National Forest CO1**

| | |
|---|---|
| General Services | |
| Reliability & Resiliency | |
| Safety & Security | This program is aimed at reducing the frequency and intensity of wildfires which should reduce safety risks to personnel and the general public. |
| Technology Advancements | |

## Project No: 15502321 Gila National Forest CO1

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 54,478 | - | - | - | - | - | - | 54,478 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,618,322 | - | - | 371,466 | 371,466 | 471,466 | - | 5,832,722 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 1,857 | 1,857 | 1,857 | - | 5,572 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 342 | - | - | - | - | - | - | 342 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,223 | - | - | - | - | - | - | 4,223 |
| 914: Pension and Benefits | 11,311 | - | - | - | - | - | - | 11,311 |
| 915: Injuries and Damages | 7,486 | - | - | - | - | - | - | 7,486 |
| 921: Stores Load | 12,902 | - | - | - | - | - | - | 12,902 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 363,720 | - | - | 24,266 | 24,266 | 30,766 | - | 443,018 |
| 926: A&G Loads | 225,478 | - | - | 19,413 | 19,413 | 24,613 | - | 288,916 |
| 928: AFUDC Debt | 200,199 | 1,244 | - | 478 | 1,437 | 2,529 | 3,149 | 209,036 |
| 929: AFUDC Equity | 138,349 | 1,325 | - | 510 | 1,532 | 2,696 | 3,356 | 147,767 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,132,549) | (506,830) | - | - | - | - | (1,283,004) | (6,922,383) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (95,390) | (95,390) |
| Project Net | 504,261 | (504,261) | - | 417,991 | 419,972 | 533,927 | (1,371,890) | (0) |

## Project No: 15502321 Gila National Forest CO1

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 54,478 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 5,832,722 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 5,572 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 342 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,223 | - | - | - | - | - | - |
| 914: Pension and Benefits | 11,311 | - | - | - | - | - | - |
| 915: Injuries and Damages | 7,486 | - | - | - | - | - | - |
| 921: Stores Load | 12,902 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 443,018 | - | - | - | - | - | - |
| 926: A&G Loads | 288,916 | - | - | - | - | - | - |
| 928: AFUDC Debt | 209,036 | - | - | - | - | - | - |
| 929: AFUDC Equity | 147,767 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,922,383) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (95,390) | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 15502321 Gila National Forest CO1

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 54,478 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 5,832,722 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 5,572 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 342 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 4,223 |
| 914: Pension and Benefits | - | - | - | 11,311 |
| 915: Injuries and Damages | - | - | - | 7,486 |
| 921: Stores Load | - | - | - | 12,902 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 443,018 |
| 926: A&G Loads | - | - | - | 288,916 |
| 928: AFUDC Debt | - | - | - | 209,036 |
| 929: AFUDC Equity | - | - | - | 147,767 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (6,922,383) |
| 825: Closing Cost of Removal | - | - | - | (95,390) |
| Project Net | - | - | - | (0) |

## Project No: 15502321 Gila National Forest CO1

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 54,478 | - | - | - | 54,478 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 5,832,722 | - | - | - | 5,832,722 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 5,572 | - | - | - | 5,572 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 342 | - | - | - | 342 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,223 | - | - | - | 4,223 | - | - | - |
| 914: Pension and Benefits | 11,311 | - | - | - | 11,311 | - | - | - |
| 915: Injuries and Damages | 7,486 | - | - | - | 7,486 | - | - | - |
| 921: Stores Load | 12,902 | - | - | - | 12,902 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 443,018 | - | - | - | 443,018 | - | - | - |
| 926: A&G Loads | 288,916 | - | - | - | 288,916 | - | - | - |
| 928: AFUDC Debt | 209,036 | - | - | - | 209,036 | - | - | - |
| 929: AFUDC Equity | 147,767 | - | - | - | 147,767 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,922,383) | - | - | - | (6,922,383) | - | - | - |
| 825: Closing Cost of Removal | (95,390) | - | - | - | (95,390) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 15502321 Gila National Forest CO1

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 54,478 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 5,832,722 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 5,572 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 342 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 4,223 |
| 914: Pension and Benefits | - | - | - | - | - | - | 11,311 |
| 915: Injuries and Damages | - | - | - | - | - | - | 7,486 |
| 921: Stores Load | - | - | - | - | - | - | 12,902 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 443,018 |
| 926: A&G Loads | - | - | - | - | - | - | 288,916 |
| 928: AFUDC Debt | - | - | - | - | - | - | 209,036 |
| 929: AFUDC Equity | - | - | - | - | - | - | 147,767 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (6,922,383) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (95,390) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 155 | Silver City Services Dist |

**Project Information**

| County % | | |
|---|---|---|
| | Grant | 50% |
| | Lincoln | 50% |

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

Replace deteriorated and failed wood distribution poles identified through 2024 OSMOSE inspections within PNM High Fire Areas in the Silver City and Ruidoso regions. The project will replace applicable untreated poles and aging or underperforming equipment with infrastructure meeting current PNM High Fire Area standards. Approximately, 930 poles can be replaced.

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | |
|---|---|
| Project Need Justification | OSMOSE inspections have identified deteriorated and failed wood distribution poles requiring replacement within PNM's High Fire Areas. Replacing these poles and associated aging equipment is necessary to address identified asset conditions, reduce the risk of equipment failure and related fire risk, and maintain safe and reliable electric service. |

**Project No:** **15505225 HFA Pole Rplc SilverCity/Ruidoso**

Project Alternatives

Continue operating and maintaining the existing poles until failure or defer replacement to a future year. These alternatives are not recommended because the affected poles have known deterioration and delaying replacement increases reliability, safety, and wildfire risks.

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | |
|---|---|
| Project Estimate Approach | Project estimate was developed based on the scope identified from the 2024 OSMOSE pole inspection results and anticipated replacement of degraded assets within High Fire Areas. The estimate includes labor, materials, outside services, project support, and applicable indirect costs required to execute the work. |

**Project No:** **15505225 HFA Pole Rplc SilverCity/Ruidoso**

| | |
|---|---|
| Customer Benefit | Improves reliability and public safety by proactively replacing deteriorated poles before failure, reducing the potential for outages, equipment damage, and wildfire ignition in High Fire Areas. |

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | |
|---|---|
| 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:** **15505225** **HFA Pole Rplc SilverCity/Ruidoso**

General Services

Reliability & Resiliency

Pole replacements allows for upgrades to be made to equipment that is near end of useful life which reduces the SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) impact due to pole related outages.

Safety & Security

Technology Advancements

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 481,130 | 40,665 | 40,665 | 40,665 | 40,665 | 40,665 | - | 684,455 |
| 120: Overtime-General | 97,688 | 13,406 | 13,406 | 13,406 | - | - | - | 137,906 |
| 350: Material Issues-Major | 1,346,752 | 69,514 | 101,514 | 179,514 | 72,014 | - | 300 | 1,769,608 |
| 370: Outside Services | 2,124,477 | 44,731 | 44,725 | 30,650 | 70,650 | - | 5,000 | 2,320,233 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 453,762 | - | - | - | - | - | - | 453,762 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 44,990 | 4,120 | 4,120 | 4,120 | 3,099 | 3,099 | - | 63,548 |
| 914: Pension and Benefits | 96,874 | 10,063 | 10,063 | 10,063 | 7,568 | 7,568 | - | 142,197 |
| 915: Injuries and Damages | 116,228 | 10,706 | 10,706 | 10,706 | 8,052 | 8,052 | - | 164,450 |
| 921: Stores Load | 50,638 | 15,841 | 23,133 | 40,908 | 16,411 | - | 68 | 146,999 |
| 922: Minor Material Load | 175,959 | - | - | - | - | - | - | 175,959 |
| 925: E&S Loads | 290,652 | 12,558 | 14,638 | 18,793 | 13,133 | 3,860 | 345 | 353,979 |
| 926: A&G Loads | 211,092 | 8,752 | 10,416 | 13,740 | 9,533 | 2,115 | 276 | 255,924 |
| 928: AFUDC Debt | 38,979 | 3,796 | 3,238 | 2,964 | 2,763 | 2,344 | 1,471 | 55,554 |
| 929: AFUDC Equity | 29,064 | 4,046 | 3,451 | 3,158 | 2,944 | 2,498 | 1,568 | 46,729 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,369,152) | (470,085) | (414,604) | (368,987) | (318,391) | (392,658) | (220,646) | (5,554,522) |
| 825: Closing Cost of Removal | (224,890) | (153,867) | (116,760) | (84,833) | (63,958) | (75,453) | (41,948) | (761,709) |
| Project Net | 1,964,243 | (385,753) | (251,289) | (85,133) | (135,518) | (397,911) | (253,567) | 455,072 |

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 684,455 | - | - | - | - | - | - |
| 120: Overtime-General | 137,906 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,769,608 | - | - | - | - | - | - |
| 370: Outside Services | 2,320,233 | 1,650 | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 453,762 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 63,548 | - | - | - | - | - | - |
| 914: Pension and Benefits | 142,197 | - | - | - | - | - | - |
| 915: Injuries and Damages | 164,450 | - | - | - | - | - | - |
| 921: Stores Load | 146,999 | - | - | - | - | - | - |
| 922: Minor Material Load | 175,959 | - | - | - | - | - | - |
| 925: E&S Loads | 353,979 | 116 | - | - | - | - | - |
| 926: A&G Loads | 255,924 | 62 | - | - | - | - | - |
| 928: AFUDC Debt | 55,554 | 852 | - | - | - | - | - |
| 929: AFUDC Equity | 46,729 | 1,152 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,554,522) | (386,080) | - | - | - | - | - |
| 825: Closing Cost of Removal | (761,709) | (72,822) | - | - | - | - | - |
| Project Net | 455,072 | (455,072) | - | - | - | - | - |

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 684,455 |
| 120: Overtime-General | - | - | - | 137,906 |
| 350: Material Issues-Major | - | - | - | 1,769,608 |
| 370: Outside Services | - | - | - | 2,321,883 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 453,762 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 63,548 |
| 914: Pension and Benefits | - | - | - | 142,197 |
| 915: Injuries and Damages | - | - | - | 164,450 |
| 921: Stores Load | - | - | - | 146,999 |
| 922: Minor Material Load | - | - | - | 175,959 |
| 925: E&S Loads | - | - | - | 354,094 |
| 926: A&G Loads | - | - | - | 255,986 |
| 928: AFUDC Debt | - | - | - | 56,406 |
| 929: AFUDC Equity | - | - | - | 47,881 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (5,940,602) |
| 825: Closing Cost of Removal | - | - | - | (834,531) |
| Project Net | - | - | - | - |

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 684,455 | - | - | - | 684,455 | - | - | - |
| 120: Overtime-General | 137,906 | - | - | - | 137,906 | - | - | - |
| 350: Material Issues-Major | 1,769,608 | - | - | - | 1,769,608 | - | - | - |
| 370: Outside Services | 2,321,883 | - | - | - | 2,321,883 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 453,762 | - | - | - | 453,762 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 63,548 | - | - | - | 63,548 | - | - | - |
| 914: Pension and Benefits | 142,197 | - | - | - | 142,197 | - | - | - |
| 915: Injuries and Damages | 164,450 | - | - | - | 164,450 | - | - | - |
| 921: Stores Load | 146,999 | - | - | - | 146,999 | - | - | - |
| 922: Minor Material Load | 175,959 | - | - | - | 175,959 | - | - | - |
| 925: E&S Loads | 354,094 | - | - | - | 354,094 | - | - | - |
| 926: A&G Loads | 255,986 | - | - | - | 255,986 | - | - | - |
| 928: AFUDC Debt | 56,406 | - | - | - | 56,406 | - | - | - |
| 929: AFUDC Equity | 47,881 | - | - | - | 47,881 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,940,602) | - | - | - | (5,940,602) | - | - | - |
| 825: Closing Cost of Removal | (834,531) | - | - | - | (834,531) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 15505225 HFA Pole Rplc SilverCity/Ruidoso

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 684,455 |
| 120: Overtime-General | - | - | - | - | - | - | 137,906 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,769,608 |
| 370: Outside Services | - | - | - | - | - | - | 2,321,883 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 453,762 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 63,548 |
| 914: Pension and Benefits | - | - | - | - | - | - | 142,197 |
| 915: Injuries and Damages | - | - | - | - | - | - | 164,450 |
| 921: Stores Load | - | - | - | - | - | - | 146,999 |
| 922: Minor Material Load | - | - | - | - | - | - | 175,959 |
| 925: E&S Loads | - | - | - | - | - | - | 354,094 |
| 926: A&G Loads | - | - | - | - | - | - | 255,986 |
| 928: AFUDC Debt | - | - | - | - | - | - | 56,406 |
| 929: AFUDC Equity | - | - | - | - | - | - | 47,881 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (5,940,602) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (834,531) |
| Project Net | - | - | - | - | - | - | - |

## Project No: **20000607** **Distr. Remove & Replace**

Company: 001 Electric Services
Location: 200 Deming Electric Services

**Project Information**

| County % | | |
|---|---|---|
| Luna | | 100% |

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: **20000607** **Distr. Remove & Replace**

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **20000607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative.

**Project No:** **20000607** **Distr. Remove & Replace**

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of our facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **20000607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increase in equipment reliability by maintaining the distribution system integrity. |

## Project No: **20000607 Distr. Remove & Replace**

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 20000607 Distr. Remove & Replace

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 20000607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,337,893 | - | - | - | - | - | - | 1,337,893 |
| 120: Overtime-General | 328,717 | - | - | - | - | - | - | 328,717 |
| 350: Material Issues-Major | 2,250,693 | - | - | - | - | - | - | 2,250,693 |
| 370: Outside Services | 4,632,458 | 9,287 | 9,287 | 9,287 | 9,287 | 9,287 | 9,287 | 4,688,177 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 14,128 | - | - | - | - | - | - | 14,128 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 906,296 | - | - | - | - | - | - | 906,296 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (108,416) | - | - | - | - | - | - | (108,416) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 125,145 | - | - | - | - | - | - | 125,145 |
| 914: Pension and Benefits | 426,966 | - | - | - | - | - | - | 426,966 |
| 915: Injuries and Damages | 127,045 | - | - | - | - | - | - | 127,045 |
| 921: Stores Load | 189,765 | - | - | - | - | - | - | 189,765 |
| 922: Minor Material Load | 237,775 | - | - | - | - | - | - | 237,775 |
| 925: E&S Loads | 1,224,820 | 604 | 604 | 604 | 604 | 604 | 604 | 1,228,441 |
| 926: A&G Loads | 546,118 | 483 | 483 | 483 | 483 | 483 | 483 | 549,016 |
| 928: AFUDC Debt | 57 | - | - | - | - | - | - | 57 |
| 929: AFUDC Equity | 94 | - | - | - | - | - | - | 94 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,484,814) | (12,450) | (12,113) | (11,817) | (11,557) | (11,328) | (11,126) | (9,555,206) |
| 825: Closing Cost of Removal | (2,658,356) | (361) | (405) | (443) | (477) | (507) | (533) | (2,661,083) |
| Project Net | 96,383 | (2,438) | (2,145) | (1,888) | (1,661) | (1,462) | (1,286) | 85,504 |

**Project No:** **20000607** **Distr. Remove & Replace**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,337,893 | - | - | - | - | - | - |
| 120: Overtime-General | 328,717 | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,250,693 | - | - | - | - | - | - |
| 370: Outside Services | 4,688,177 | 38,948 | 38,948 | 38,948 | 38,948 | 38,948 | 38,948 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 14,128 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 906,296 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (108,416) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 125,145 | - | - | - | - | - | - |
| 914: Pension and Benefits | 426,966 | - | - | - | - | - | - |
| 915: Injuries and Damages | 127,045 | - | - | - | - | - | - |
| 921: Stores Load | 189,765 | - | - | - | - | - | - |
| 922: Minor Material Load | 237,775 | - | - | - | - | - | - |
| 925: E&S Loads | 1,228,441 | 2,726 | 2,726 | 2,726 | 2,726 | 2,726 | 2,726 |
| 926: A&G Loads | 549,016 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 |
| 928: AFUDC Debt | 57 | - | - | - | - | - | - |
| 929: AFUDC Equity | 94 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,555,206) | (14,605) | (17,666) | (20,360) | (22,731) | (24,817) | (26,653) |
| 825: Closing Cost of Removal | (2,661,083) | (832) | (1,094) | (1,325) | (1,529) | (1,707) | (1,865) |
| Project Net | 85,504 | 27,698 | 24,375 | 21,450 | 18,876 | 16,611 | 14,617 |

## Project No: 20000607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,337,893 |
| 120: Overtime-General | - | - | - | 328,717 |
| 350: Material Issues-Major | - | - | - | 2,250,693 |
| 370: Outside Services | 38,948 | 38,948 | 38,948 | 5,038,709 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 14,128 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 906,296 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (108,416) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 125,145 |
| 914: Pension and Benefits | - | - | - | 426,966 |
| 915: Injuries and Damages | - | - | - | 127,045 |
| 921: Stores Load | - | - | - | 189,765 |
| 922: Minor Material Load | - | - | - | 237,775 |
| 925: E&S Loads | 2,726 | 2,726 | 2,726 | 1,252,979 |
| 926: A&G Loads | 1,461 | 1,461 | 1,461 | 562,161 |
| 928: AFUDC Debt | - | - | - | 57 |
| 929: AFUDC Equity | - | - | - | 94 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (28,268) | (29,690) | (30,941) | (9,770,936) |
| 825: Closing Cost of Removal | (2,003) | (2,125) | (2,233) | (2,675,797) |
| Project Net | 12,863 | 11,320 | 9,961 | 243,273 |

## Project No: 20000607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,337,893 | - | - | - | 1,337,893 | - | - | - |
| 120: Overtime-General | 328,717 | - | - | - | 328,717 | - | - | - |
| 350: Material Issues-Major | 2,250,693 | - | - | - | 2,250,693 | - | - | - |
| 370: Outside Services | 5,038,709 | 38,948 | 38,948 | 38,948 | 5,155,553 | 38,308 | 38,308 | 38,308 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 14,128 | - | - | - | 14,128 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 906,296 | - | - | - | 906,296 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (108,416) | - | - | - | (108,416) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 125,145 | - | - | - | 125,145 | - | - | - |
| 914: Pension and Benefits | 426,966 | - | - | - | 426,966 | - | - | - |
| 915: Injuries and Damages | 127,045 | - | - | - | 127,045 | - | - | - |
| 921: Stores Load | 189,765 | - | - | - | 189,765 | - | - | - |
| 922: Minor Material Load | 237,775 | - | - | - | 237,775 | - | - | - |
| 925: E&S Loads | 1,252,979 | 2,726 | 2,726 | 2,726 | 1,261,158 | 2,682 | 2,682 | 2,682 |
| 926: A&G Loads | 562,161 | 1,461 | 1,461 | 1,461 | 566,542 | 1,345 | 1,345 | 1,345 |
| 928: AFUDC Debt | 57 | - | - | - | 57 | - | - | - |
| 929: AFUDC Equity | 94 | - | - | - | 94 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,770,936) | (32,042) | (33,011) | (33,863) | (9,869,852) | (34,524) | (35,106) | (35,618) |
| 825: Closing Cost of Removal | (2,675,797) | (2,327) | (2,410) | (2,483) | (2,683,018) | (2,541) | (2,592) | (2,636) |
| Project Net | 243,273 | 8,766 | 7,714 | 6,788 | 266,542 | 5,269 | 4,637 | 4,080 |

## Project No: 20000607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,337,893 |
| 120: Overtime-General | - | - | - | - | - | - | 328,717 |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,250,693 |
| 370: Outside Services | 38,308 | 38,308 | 38,308 | 38,308 | 38,308 | 38,308 | 5,500,325 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 14,128 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 906,296 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (108,416) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 125,145 |
| 914: Pension and Benefits | - | - | - | - | - | - | 426,966 |
| 915: Injuries and Damages | - | - | - | - | - | - | 127,045 |
| 921: Stores Load | - | - | - | - | - | - | 189,765 |
| 922: Minor Material Load | - | - | - | - | - | - | 237,775 |
| 925: E&S Loads | 2,682 | 2,682 | 2,682 | 2,682 | 2,682 | 2,682 | 1,285,292 |
| 926: A&G Loads | 1,345 | 1,345 | 1,345 | 1,345 | 1,345 | 1,345 | 578,644 |
| 928: AFUDC Debt | - | - | - | - | - | - | 57 |
| 929: AFUDC Equity | - | - | - | - | - | - | 94 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (36,068) | (36,464) | (36,813) | (37,120) | (37,390) | (37,628) | (10,196,583) |
| 825: Closing Cost of Removal | (2,675) | (2,710) | (2,740) | (2,767) | (2,791) | (2,811) | (2,707,282) |
| Project Net | 3,591 | 3,160 | 2,781 | 2,447 | 2,153 | 1,895 | 296,554 |

## Project No: 20000707 Distr. system Improvements

Company: 001 Electric Services
Location: 200 Deming Electric Services

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

**Project No:** **20000707** **Distr. system Improvements**

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **20000707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

**Project No:** **20000707** **Distr. system Improvements**

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **20000707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 20000707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **20000707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 20000707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 606,290 | - | - | - | - | - | - | 606,290 |
| 120: Overtime-General | 99,592 | - | - | - | - | - | - | 99,592 |
| 350: Material Issues-Major | 1,197,438 | - | - | - | - | - | - | 1,197,438 |
| 370: Outside Services | 598,268 | 9,287 | 9,287 | 9,287 | 9,287 | 9,287 | 9,287 | 653,988 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,857 | - | - | - | - | - | - | 2,857 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 370,049 | - | - | - | - | - | - | 370,049 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (42,633) | - | - | - | - | - | - | (42,633) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 52,853 | - | - | - | - | - | - | 52,853 |
| 914: Pension and Benefits | 180,167 | - | - | - | - | - | - | 180,167 |
| 915: Injuries and Damages | 52,912 | - | - | - | - | - | - | 52,912 |
| 921: Stores Load | 85,591 | - | - | - | - | - | - | 85,591 |
| 922: Minor Material Load | 100,937 | - | - | - | - | - | - | 100,937 |
| 925: E&S Loads | 400,490 | 604 | 604 | 604 | 604 | 604 | 604 | 404,111 |
| 926: A&G Loads | 175,003 | 483 | 483 | 483 | 483 | 483 | 483 | 177,901 |
| 928: AFUDC Debt | 47,325 | 323 | 308 | 295 | 283 | 273 | 264 | 49,071 |
| 929: AFUDC Equity | 65,131 | 344 | 328 | 314 | 302 | 291 | 281 | 66,992 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,387,902) | (16,431) | (15,694) | (15,041) | (14,464) | (13,954) | (13,502) | (3,476,988) |
| 825: Closing Cost of Removal | (469,007) | (1,137) | (1,088) | (1,044) | (1,006) | (972) | (943) | (475,197) |
| Project Net | 135,361 | (6,528) | (5,771) | (5,103) | (4,512) | (3,989) | (3,527) | 105,931 |

## Project No: 20000707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 606,290 | - | - | - | - | - | - |
| 120: Overtime-General | 99,592 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,197,438 | - | - | - | - | - | - |
| 370: Outside Services | 653,988 | 23,334 | 23,334 | 23,334 | 23,334 | 23,334 | 23,334 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,857 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 370,049 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (42,633) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 52,853 | - | - | - | - | - | - |
| 914: Pension and Benefits | 180,167 | - | - | - | - | - | - |
| 915: Injuries and Damages | 52,912 | - | - | - | - | - | - |
| 921: Stores Load | 85,591 | - | - | - | - | - | - |
| 922: Minor Material Load | 100,937 | - | - | - | - | - | - |
| 925: E&S Loads | 404,111 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 |
| 926: A&G Loads | 177,901 | 875 | 875 | 875 | 875 | 875 | 875 |
| 928: AFUDC Debt | 49,071 | 247 | 268 | 288 | 305 | 320 | 333 |
| 929: AFUDC Equity | 66,992 | 334 | 363 | 389 | 412 | 433 | 451 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,476,988) | (14,836) | (16,015) | (17,059) | (17,982) | (18,798) | (19,520) |
| 825: Closing Cost of Removal | (475,197) | (1,047) | (1,138) | (1,219) | (1,290) | (1,352) | (1,407) |
| Project Net | 105,931 | 10,540 | 9,321 | 8,242 | 7,288 | 6,445 | 5,699 |

## Project No: 20000707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 606,290 |
| 120: Overtime-General | - | - | - | 99,592 |
| 350: Material Issues-Major | - | - | - | 1,197,438 |
| 370: Outside Services | 23,334 | 23,334 | 23,334 | 863,994 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 2,857 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 370,049 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (42,633) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 52,853 |
| 914: Pension and Benefits | - | - | - | 180,167 |
| 915: Injuries and Damages | - | - | - | 52,912 |
| 921: Stores Load | - | - | - | 85,591 |
| 922: Minor Material Load | - | - | - | 100,937 |
| 925: E&S Loads | 1,633 | 1,633 | 1,633 | 418,812 |
| 926: A&G Loads | 875 | 875 | 875 | 185,776 |
| 928: AFUDC Debt | 345 | 356 | 365 | 51,897 |
| 929: AFUDC Equity | 467 | 481 | 493 | 70,815 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (20,159) | (20,725) | (21,225) | (3,643,307) |
| 825: Closing Cost of Removal | (1,455) | (1,498) | (1,535) | (487,137) |
| Project Net | 5,040 | 4,457 | 3,941 | 166,904 |

## Project No: 20000707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 606,290 | - | - | - | 606,290 | - | - | - |
| 120: Overtime-General | 99,592 | - | - | - | 99,592 | - | - | - |
| 350: Material Issues-Major | 1,197,438 | - | - | - | 1,197,438 | - | - | - |
| 370: Outside Services | 863,994 | 23,334 | 23,334 | 23,334 | 933,996 | 22,956 | 22,956 | 22,956 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,857 | - | - | - | 2,857 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 370,049 | - | - | - | 370,049 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (42,633) | - | - | - | (42,633) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 52,853 | - | - | - | 52,853 | - | - | - |
| 914: Pension and Benefits | 180,167 | - | - | - | 180,167 | - | - | - |
| 915: Injuries and Damages | 52,912 | - | - | - | 52,912 | - | - | - |
| 921: Stores Load | 85,591 | - | - | - | 85,591 | - | - | - |
| 922: Minor Material Load | 100,937 | - | - | - | 100,937 | - | - | - |
| 925: E&S Loads | 418,812 | 1,633 | 1,633 | 1,633 | 423,712 | 1,607 | 1,607 | 1,607 |
| 926: A&G Loads | 185,776 | 875 | 875 | 875 | 188,401 | 806 | 806 | 806 |
| 928: AFUDC Debt | 51,897 | 373 | 380 | 387 | 53,037 | 384 | 388 | 392 |
| 929: AFUDC Equity | 70,815 | 505 | 514 | 523 | 72,357 | 606 | 613 | 618 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,643,307) | (21,667) | (22,058) | (22,405) | (3,709,437) | (22,666) | (22,897) | (23,102) |
| 825: Closing Cost of Removal | (487,137) | (1,568) | (1,597) | (1,622) | (491,923) | (1,641) | (1,657) | (1,671) |
| Project Net | 166,904 | 3,485 | 3,082 | 2,725 | 176,196 | 2,052 | 1,815 | 1,606 |

## Project No: 20000707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 606,290 |
| 120: Overtime-General | - | - | - | - | - | - | 99,592 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,197,438 |
| 370: Outside Services | 22,956 | 22,956 | 22,956 | 22,956 | 22,956 | 22,956 | 1,140,600 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 2,857 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 370,049 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (42,633) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 52,853 |
| 914: Pension and Benefits | - | - | - | - | - | - | 180,167 |
| 915: Injuries and Damages | - | - | - | - | - | - | 52,912 |
| 921: Stores Load | - | - | - | - | - | - | 85,591 |
| 922: Minor Material Load | - | - | - | - | - | - | 100,937 |
| 925: E&S Loads | 1,607 | 1,607 | 1,607 | 1,607 | 1,607 | 1,607 | 438,174 |
| 926: A&G Loads | 806 | 806 | 806 | 806 | 806 | 806 | 195,653 |
| 928: AFUDC Debt | 395 | 398 | 401 | 403 | 405 | 407 | 56,610 |
| 929: AFUDC Equity | 624 | 628 | 632 | 636 | 639 | 642 | 77,994 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (23,283) | (23,443) | (23,585) | (23,711) | (23,822) | (23,920) | (3,919,867) |
| 825: Closing Cost of Removal | (1,684) | (1,695) | (1,704) | (1,713) | (1,721) | (1,727) | (507,136) |
| Project Net | 1,421 | 1,257 | 1,112 | 984 | 870 | 770 | 188,082 |

## Project No: 20001707 Deming Pure Project

Company: 001 Electric Services
Location: 200 Deming Electric Services

**Project Information**

| County % | | |
|---|---|---|
| Luna | | 100% |

Estimated Start Date 12/1/2013

Estimated Completion Date 12/31/2032

Description

The Plant Unit Replacement Equipment Process (PURE) process was designed to allow for all 5 of the PURE assets to be capitalized under a single blanket work order number. This project involves the replacement of damaged or obsolete equipment in PNM's distribution system. The specific equipment to be replaced typically includes lightning arrestors, cross-arms, cut-outs, capacitors, and insulators.

**Project No:** **20001707** **Deming Pure Project**

Project Need Justification

Replacing damaged or obsolete equipment in the distribution system ensures that PNM maintains reliable service while reducing hazardous conditions, which improves safety for PNM personnel, customers, and the public. NMPRC Rule 17.9.560, Service Standards for Electric Utilities Rules, outlines the requirements for following electrical and safety standards (National Electric Safety Code), minimizing interruption of service, and protective safety measures. Work needed for repairing and replacing aging distribution components is identified during routine inspections, line patrols, as well as findings when responding to outages.

**Project No:** **20001707** **Deming Pure Project**

Project Alternatives

Not replacing damaged or obsolete equipment in the distribution system will not ensure system reliability and expose PNM personnel, customers, and the public to hazardous risks.

## Project No: 20001707 Deming Pure Project

| | |
|---|---|
| Project Estimate Approach | PNM maintains detailed historical records of equipment replacement activities. These records allow PNM to estimate typical future annual replacement projections and needs. This project estimate is established by analyzing the most recent 12-month actual spend to estimate costs for the forecast period. The project includes costs for internal labor, equipment, materials, transportation, and contractors if they are needed. |

**Project No:** **20001707** **Deming Pure Project**

| | |
|---|---|
| Customer Benefit | Replacing damaged and obsolete equipment increases reliability of PNM's distribution system while also improving safety conditions for PNM employees, customers, and the public. |

## Project No: **20001707 Deming Pure Project**

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **20001707** **Deming Pure Project**

General Services

Reliability & Resiliency

Replacing damaged or obsolete distribution components reduces outages and increases overall system reliability.

Safety & Security

Replacing damaged or obsolete distribution components reduces PNM employee, customer, and public exposure to possible hazards and increases the overall safety of the distribution system.

Technology Advancements

## Project No: 20001707 Deming Pure Project

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 285,585 | - | - | - | - | - | - | 285,585 |
| 120: Overtime-General | 67,952 | - | - | - | - | - | - | 67,952 |
| 350: Material Issues-Major | 149,616 | - | - | - | - | - | - | 149,616 |
| 370: Outside Services | 727,421 | 20,934 | 20,934 | 20,934 | 20,934 | 20,934 | 20,934 | 853,025 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 206,228 | - | - | - | - | - | - | 206,228 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 26,625 | - | - | - | - | - | - | 26,625 |
| 914: Pension and Benefits | 81,458 | - | - | - | - | - | - | 81,458 |
| 915: Injuries and Damages | 37,448 | - | - | - | - | - | - | 37,448 |
| 921: Stores Load | 22,278 | - | - | - | - | - | - | 22,278 |
| 922: Minor Material Load | 19,566 | - | - | - | - | - | - | 19,566 |
| 925: E&S Loads | 137,158 | 1,361 | 1,361 | 1,361 | 1,361 | 1,361 | 1,361 | 145,322 |
| 926: A&G Loads | 88,068 | 1,089 | 1,089 | 1,089 | 1,089 | 1,089 | 1,089 | 94,599 |
| 928: AFUDC Debt | 7,434 | - | - | - | - | - | - | 7,434 |
| 929: AFUDC Equity | 13,214 | - | - | - | - | - | - | 13,214 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,443,757) | (44,692) | - | - | (65,239) | - | (43,493) | (1,597,181) |
| 825: Closing Cost of Removal | (401,057) | (3,927) | - | - | (4,910) | - | (3,274) | (413,168) |
| Project Net | 25,236 | (25,236) | 23,383 | 23,383 | (46,766) | 23,383 | (23,383) | - |

## Project No: 20001707 Deming Pure Project

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 285,585 | - | - | - | - | - | - |
| 120: Overtime-General | 67,952 | - | - | - | - | - | - |
| 350: Material Issues-Major | 149,616 | - | - | - | - | - | - |
| 370: Outside Services | 853,025 | 7,513 | 7,513 | 7,513 | 7,513 | 7,513 | 7,513 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 206,228 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 26,625 | - | - | - | - | - | - |
| 914: Pension and Benefits | 81,458 | - | - | - | - | - | - |
| 915: Injuries and Damages | 37,448 | - | - | - | - | - | - |
| 921: Stores Load | 22,278 | - | - | - | - | - | - |
| 922: Minor Material Load | 19,566 | - | - | - | - | - | - |
| 925: E&S Loads | 145,322 | 526 | 526 | 526 | 526 | 526 | 526 |
| 926: A&G Loads | 94,599 | 282 | 282 | 282 | 282 | 282 | 282 |
| 928: AFUDC Debt | 7,434 | - | - | - | - | - | - |
| 929: AFUDC Equity | 13,214 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,597,181) | - | - | - | (30,953) | - | - |
| 825: Closing Cost of Removal | (413,168) | - | - | - | (2,330) | - | - |
| Project Net | - | 8,321 | 8,321 | 8,321 | (24,962) | 8,321 | 8,321 |

## Project No: 20001707 Deming Pure Project

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 285,585 |
| 120: Overtime-General | - | - | - | 67,952 |
| 350: Material Issues-Major | - | - | - | 149,616 |
| 370: Outside Services | 7,513 | 7,513 | 7,513 | 920,642 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 206,228 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 26,625 |
| 914: Pension and Benefits | - | - | - | 81,458 |
| 915: Injuries and Damages | - | - | - | 37,448 |
| 921: Stores Load | - | - | - | 22,278 |
| 922: Minor Material Load | - | - | - | 19,566 |
| 925: E&S Loads | 526 | 526 | 526 | 150,055 |
| 926: A&G Loads | 282 | 282 | 282 | 97,135 |
| 928: AFUDC Debt | - | - | - | 7,434 |
| 929: AFUDC Equity | - | - | - | 13,214 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (23,215) | - | - | (1,651,348) |
| 825: Closing Cost of Removal | (1,747) | - | - | (417,245) |
| Project Net | (16,641) | 8,321 | 8,321 | 16,641 |

## Project No: 20001707 Deming Pure Project

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 285,585 | - | - | - | 285,585 | - | - | - |
| 120: Overtime-General | 67,952 | - | - | - | 67,952 | - | - | - |
| 350: Material Issues-Major | 149,616 | - | - | - | 149,616 | - | - | - |
| 370: Outside Services | 920,642 | 7,513 | 7,513 | 7,513 | 943,181 | 7,734 | 7,734 | 7,734 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 206,228 | - | - | - | 206,228 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 26,625 | - | - | - | 26,625 | - | - | - |
| 914: Pension and Benefits | 81,458 | - | - | - | 81,458 | - | - | - |
| 915: Injuries and Damages | 37,448 | - | - | - | 37,448 | - | - | - |
| 921: Stores Load | 22,278 | - | - | - | 22,278 | - | - | - |
| 922: Minor Material Load | 19,566 | - | - | - | 19,566 | - | - | - |
| 925: E&S Loads | 150,055 | 526 | 526 | 526 | 151,633 | 541 | 541 | 541 |
| 926: A&G Loads | 97,135 | 282 | 282 | 282 | 97,980 | 271 | 271 | 271 |
| 928: AFUDC Debt | 7,434 | - | - | - | 7,434 | - | - | - |
| 929: AFUDC Equity | 13,214 | - | - | - | 13,214 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,651,348) | (23,215) | - | (15,476) | (1,690,039) | - | - | - |
| 825: Closing Cost of Removal | (417,245) | (1,747) | - | (1,165) | (420,158) | - | - | - |
| Project Net | 16,641 | (16,641) | 8,321 | (8,321) | - | 8,547 | 8,547 | 8,547 |

## Project No: 20001707 Deming Pure Project

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 285,585 |
| 120: Overtime-General | - | - | - | - | - | - | 67,952 |
| 350: Material Issues-Major | - | - | - | - | - | - | 149,616 |
| 370: Outside Services | 7,734 | 7,734 | 7,734 | 7,734 | 7,734 | 7,734 | 1,012,787 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 206,228 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 26,625 |
| 914: Pension and Benefits | - | - | - | - | - | - | 81,458 |
| 915: Injuries and Damages | - | - | - | - | - | - | 37,448 |
| 921: Stores Load | - | - | - | - | - | - | 22,278 |
| 922: Minor Material Load | - | - | - | - | - | - | 19,566 |
| 925: E&S Loads | 541 | 541 | 541 | 541 | 541 | 541 | 156,505 |
| 926: A&G Loads | 271 | 271 | 271 | 271 | 271 | 271 | 100,423 |
| 928: AFUDC Debt | - | - | - | - | - | - | 7,434 |
| 929: AFUDC Equity | - | - | - | - | - | - | 13,214 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (31,794) | - | - | (23,846) | - | - | (1,745,679) |
| 825: Closing Cost of Removal | (2,393) | - | - | (1,795) | - | - | (424,346) |
| Project Net | (25,641) | 8,547 | 8,547 | (17,094) | 8,547 | 8,547 | 17,094 |

## Project No: 30000607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 300 Las Vegas Electric Services

**Project Information**

County % San Miguel 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 30000607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **30000607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative.

**Project No:** **30000607** **Distr. Remove & Replace**

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of our facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **30000607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increase in equipment reliability by maintaining the distribution system integrity. |

## Project No: 30000607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **30000607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 30000607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 293,219 | - | - | - | - | - | - | 293,219 |
| 120: Overtime-General | 74,104 | - | - | - | - | - | - | 74,104 |
| 350: Material Issues-Major | 332,905 | - | - | - | - | - | - | 332,905 |
| 370: Outside Services | 163,352 | 2,821 | 2,821 | 2,821 | 2,821 | 2,821 | 2,821 | 180,277 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 11,662 | - | - | - | - | - | - | 11,662 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 163,590 | - | - | - | - | - | - | 163,590 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (159,716) | - | - | - | - | - | - | (159,716) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 27,552 | - | - | - | - | - | - | 27,552 |
| 914: Pension and Benefits | 94,991 | - | - | - | - | - | - | 94,991 |
| 915: Injuries and Damages | 29,478 | - | - | - | - | - | - | 29,478 |
| 921: Stores Load | 20,353 | - | - | - | - | - | - | 20,353 |
| 922: Minor Material Load | 33,442 | - | - | - | - | - | - | 33,442 |
| 925: E&S Loads | 147,354 | 183 | 183 | 183 | 183 | 183 | 183 | 148,454 |
| 926: A&G Loads | 52,654 | 147 | 147 | 147 | 147 | 147 | 147 | 53,534 |
| 928: AFUDC Debt | 6 | - | - | - | - | - | - | 6 |
| 929: AFUDC Equity | 1 | - | - | - | - | - | - | 1 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (972,657) | (2,318) | (2,392) | (2,456) | (2,513) | (2,563) | (2,607) | (987,507) |
| 825: Closing Cost of Removal | (291,541) | (550) | (510) | (476) | (445) | (418) | (394) | (294,334) |
| Project Net | 20,751 | 283 | 249 | 219 | 193 | 169 | 149 | 22,012 |

**Project No:** **30000607** **Distr. Remove & Replace**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 293,219 | - | - | - | - | - | - |
| 120: Overtime-General | 74,104 | - | - | - | - | - | - |
| 350: Material Issues-Major | 332,905 | - | - | - | - | - | - |
| 370: Outside Services | 180,277 | 2,856 | 2,856 | 2,856 | 2,856 | 2,856 | 2,856 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 11,662 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 163,590 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (159,716) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 27,552 | - | - | - | - | - | - |
| 914: Pension and Benefits | 94,991 | - | - | - | - | - | - |
| 915: Injuries and Damages | 29,478 | - | - | - | - | - | - |
| 921: Stores Load | 20,353 | - | - | - | - | - | - |
| 922: Minor Material Load | 33,442 | - | - | - | - | - | - |
| 925: E&S Loads | 148,454 | 200 | 200 | 200 | 200 | 200 | 200 |
| 926: A&G Loads | 53,534 | 107 | 107 | 107 | 107 | 107 | 107 |
| 928: AFUDC Debt | 6 | - | - | - | - | - | - |
| 929: AFUDC Equity | 1 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (987,507) | (2,647) | (2,683) | (2,714) | (2,741) | (2,765) | (2,786) |
| 825: Closing Cost of Removal | (294,334) | (374) | (355) | (339) | (325) | (313) | (302) |
| Project Net | 22,012 | 142 | 125 | 110 | 97 | 85 | 75 |

**Project No:** **30000607** **Distr. Remove & Replace**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 293,219 |
| 120: Overtime-General | - | - | - | 74,104 |
| 350: Material Issues-Major | - | - | - | 332,905 |
| 370: Outside Services | 2,856 | 2,856 | 2,856 | 205,981 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 11,662 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 163,590 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (159,716) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 27,552 |
| 914: Pension and Benefits | - | - | - | 94,991 |
| 915: Injuries and Damages | - | - | - | 29,478 |
| 921: Stores Load | - | - | - | 20,353 |
| 922: Minor Material Load | - | - | - | 33,442 |
| 925: E&S Loads | 200 | 200 | 200 | 150,253 |
| 926: A&G Loads | 107 | 107 | 107 | 54,498 |
| 928: AFUDC Debt | - | - | - | 6 |
| 929: AFUDC Equity | - | - | - | 1 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (2,805) | (2,821) | (2,836) | (1,012,306) |
| 825: Closing Cost of Removal | (292) | (284) | (276) | (297,194) |
| Project Net | 66 | 58 | 51 | 22,821 |

## Project No: 30000607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 293,219 | - | - | - | 293,219 | - | - | - |
| 120: Overtime-General | 74,104 | - | - | - | 74,104 | - | - | - |
| 350: Material Issues-Major | 332,905 | - | - | - | 332,905 | - | - | - |
| 370: Outside Services | 205,981 | 2,856 | 2,856 | 2,856 | 214,549 | 2,809 | 2,809 | 2,809 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 11,662 | - | - | - | 11,662 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 163,590 | - | - | - | 163,590 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (159,716) | - | - | - | (159,716) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 27,552 | - | - | - | 27,552 | - | - | - |
| 914: Pension and Benefits | 94,991 | - | - | - | 94,991 | - | - | - |
| 915: Injuries and Damages | 29,478 | - | - | - | 29,478 | - | - | - |
| 921: Stores Load | 20,353 | - | - | - | 20,353 | - | - | - |
| 922: Minor Material Load | 33,442 | - | - | - | 33,442 | - | - | - |
| 925: E&S Loads | 150,253 | 200 | 200 | 200 | 150,853 | 197 | 197 | 197 |
| 926: A&G Loads | 54,498 | 107 | 107 | 107 | 54,820 | 99 | 99 | 99 |
| 928: AFUDC Debt | 6 | - | - | - | 6 | - | - | - |
| 929: AFUDC Equity | 1 | - | - | - | 1 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,012,306) | (2,849) | (2,860) | (2,870) | (1,020,884) | (2,872) | (2,873) | (2,875) |
| 825: Closing Cost of Removal | (297,194) | (270) | (264) | (259) | (297,986) | (254) | (249) | (246) |
| Project Net | 22,821 | 45 | 40 | 35 | 22,940 | (21) | (19) | (16) |

## Project No: 30000607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 293,219 |
| 120: Overtime-General | - | - | - | - | - | - | 74,104 |
| 350: Material Issues-Major | - | - | - | - | - | - | 332,905 |
| 370: Outside Services | 2,809 | 2,809 | 2,809 | 2,809 | 2,809 | 2,809 | 239,830 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 11,662 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 163,590 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (159,716) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 27,552 |
| 914: Pension and Benefits | - | - | - | - | - | - | 94,991 |
| 915: Injuries and Damages | - | - | - | - | - | - | 29,478 |
| 921: Stores Load | - | - | - | - | - | - | 20,353 |
| 922: Minor Material Load | - | - | - | - | - | - | 33,442 |
| 925: E&S Loads | 197 | 197 | 197 | 197 | 197 | 197 | 152,623 |
| 926: A&G Loads | 99 | 99 | 99 | 99 | 99 | 99 | 55,707 |
| 928: AFUDC Debt | - | - | - | - | - | - | 6 |
| 929: AFUDC Equity | - | - | - | - | - | - | 1 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,876) | (2,878) | (2,879) | (2,880) | (2,881) | (2,881) | (1,046,779) |
| 825: Closing Cost of Removal | (242) | (239) | (237) | (234) | (232) | (230) | (300,149) |
| Project Net | (14) | (13) | (11) | (10) | (9) | (8) | 22,820 |

**Project No:** **30000707** **Distr. system Improvements**

Company: 001 Electric Services
Location: 300 Las Vegas Electric Services

**Project Information** County % San Miguel 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

**Project No:** **30000707** **Distr. system Improvements**

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **30000707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

**Project No:** **30000707** **Distr. system Improvements**

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **30000707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 30000707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **30000707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 30000707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 117,143 | - | - | - | - | - | - | 117,143 |
| 120: Overtime-General | 7,030 | - | - | - | - | - | - | 7,030 |
| 350: Material Issues-Major | 205,883 | - | - | - | - | - | - | 205,883 |
| 370: Outside Services | 98,301 | 1,857 | 1,857 | 1,857 | 1,857 | 1,857 | 1,857 | 109,445 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,092 | - | - | - | - | - | - | 2,092 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 58,607 | - | - | - | - | - | - | 58,607 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (5,111) | - | - | - | - | - | - | (5,111) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 9,238 | - | - | - | - | - | - | 9,238 |
| 914: Pension and Benefits | 31,187 | - | - | - | - | - | - | 31,187 |
| 915: Injuries and Damages | 11,112 | - | - | - | - | - | - | 11,112 |
| 921: Stores Load | 14,396 | - | - | - | - | - | - | 14,396 |
| 922: Minor Material Load | 11,768 | - | - | - | - | - | - | 11,768 |
| 925: E&S Loads | 65,487 | 121 | 121 | 121 | 121 | 121 | 121 | 66,212 |
| 926: A&G Loads | 27,629 | 97 | 97 | 97 | 97 | 97 | 97 | 28,209 |
| 928: AFUDC Debt | 9,139 | 183 | 167 | 152 | 139 | 127 | 117 | 10,024 |
| 929: AFUDC Equity | 9,189 | 196 | 178 | 162 | 148 | 136 | 125 | 10,133 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (548,084) | (9,113) | (8,293) | (7,567) | (6,925) | (6,357) | (5,854) | (592,193) |
| 825: Closing Cost of Removal | (47,922) | (431) | (397) | (367) | (340) | (317) | (296) | (50,070) |
| Project Net | 77,084 | (7,091) | (6,270) | (5,545) | (4,903) | (4,336) | (3,834) | 45,105 |

## Project No: 30000707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 117,143 | - | - | - | - | - | - |
| 120: Overtime-General | 7,030 | - | - | - | - | - | - |
| 350: Material Issues-Major | 205,883 | - | - | - | - | - | - |
| 370: Outside Services | 109,445 | 9,052 | 9,052 | 9,052 | 9,052 | 9,052 | 9,052 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,092 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 58,607 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (5,111) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 9,238 | - | - | - | - | - | - |
| 914: Pension and Benefits | 31,187 | - | - | - | - | - | - |
| 915: Injuries and Damages | 11,112 | - | - | - | - | - | - |
| 921: Stores Load | 14,396 | - | - | - | - | - | - |
| 922: Minor Material Load | 11,768 | - | - | - | - | - | - |
| 925: E&S Loads | 66,212 | 634 | 634 | 634 | 634 | 634 | 634 |
| 926: A&G Loads | 28,209 | 339 | 339 | 339 | 339 | 339 | 339 |
| 928: AFUDC Debt | 10,024 | 106 | 113 | 119 | 125 | 130 | 135 |
| 929: AFUDC Equity | 10,133 | 143 | 153 | 162 | 169 | 176 | 182 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (592,193) | (6,301) | (6,695) | (7,044) | (7,353) | (7,626) | (7,868) |
| 825: Closing Cost of Removal | (50,070) | (345) | (388) | (425) | (459) | (488) | (513) |
| Project Net | 45,105 | 3,628 | 3,208 | 2,836 | 2,508 | 2,217 | 1,961 |

## Project No: 30000707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 117,143 |
| 120: Overtime-General | - | - | - | 7,030 |
| 350: Material Issues-Major | - | - | - | 205,883 |
| 370: Outside Services | 9,052 | 9,052 | 9,052 | 190,913 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 2,092 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 58,607 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (5,111) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 9,238 |
| 914: Pension and Benefits | - | - | - | 31,187 |
| 915: Injuries and Damages | - | - | - | 11,112 |
| 921: Stores Load | - | - | - | 14,396 |
| 922: Minor Material Load | - | - | - | 11,768 |
| 925: E&S Loads | 634 | 634 | 634 | 71,914 |
| 926: A&G Loads | 339 | 339 | 339 | 31,264 |
| 928: AFUDC Debt | 139 | 142 | 145 | 11,178 |
| 929: AFUDC Equity | 188 | 192 | 197 | 11,694 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (8,082) | (8,271) | (8,438) | (659,871) |
| 825: Closing Cost of Removal | (536) | (556) | (573) | (54,353) |
| Project Net | 1,734 | 1,533 | 1,355 | 66,085 |

## Project No: 30000707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 117,143 | - | - | - | 117,143 | - | - | - |
| 120: Overtime-General | 7,030 | - | - | - | 7,030 | - | - | - |
| 350: Material Issues-Major | 205,883 | - | - | - | 205,883 | - | - | - |
| 370: Outside Services | 190,913 | 9,052 | 9,052 | 9,052 | 218,069 | 8,906 | 8,906 | 8,906 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,092 | - | - | - | 2,092 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 58,607 | - | - | - | 58,607 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (5,111) | - | - | - | (5,111) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 9,238 | - | - | - | 9,238 | - | - | - |
| 914: Pension and Benefits | 31,187 | - | - | - | 31,187 | - | - | - |
| 915: Injuries and Damages | 11,112 | - | - | - | 11,112 | - | - | - |
| 921: Stores Load | 14,396 | - | - | - | 14,396 | - | - | - |
| 922: Minor Material Load | 11,768 | - | - | - | 11,768 | - | - | - |
| 925: E&S Loads | 71,914 | 634 | 634 | 634 | 73,815 | 623 | 623 | 623 |
| 926: A&G Loads | 31,264 | 339 | 339 | 339 | 32,282 | 313 | 313 | 313 |
| 928: AFUDC Debt | 11,178 | 148 | 150 | 153 | 11,629 | 151 | 153 | 154 |
| 929: AFUDC Equity | 11,694 | 200 | 204 | 206 | 12,305 | 239 | 241 | 243 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (659,871) | (8,586) | (8,717) | (8,833) | (686,007) | (8,918) | (8,994) | (9,060) |
| 825: Closing Cost of Removal | (54,353) | (589) | (602) | (614) | (56,158) | (623) | (631) | (638) |
| Project Net | 66,085 | 1,198 | 1,060 | 937 | 69,280 | 690 | 611 | 540 |

## Project No: 30000707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 117,143 |
| 120: Overtime-General | - | - | - | - | - | - | 7,030 |
| 350: Material Issues-Major | - | - | - | - | - | - | 205,883 |
| 370: Outside Services | 8,906 | 8,906 | 8,906 | 8,906 | 8,906 | 8,906 | 298,223 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 2,092 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 58,607 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (5,111) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 9,238 |
| 914: Pension and Benefits | - | - | - | - | - | - | 31,187 |
| 915: Injuries and Damages | - | - | - | - | - | - | 11,112 |
| 921: Stores Load | - | - | - | - | - | - | 14,396 |
| 922: Minor Material Load | - | - | - | - | - | - | 11,768 |
| 925: E&S Loads | 623 | 623 | 623 | 623 | 623 | 623 | 79,426 |
| 926: A&G Loads | 313 | 313 | 313 | 313 | 313 | 313 | 35,096 |
| 928: AFUDC Debt | 155 | 156 | 157 | 157 | 158 | 159 | 13,029 |
| 929: AFUDC Equity | 244 | 246 | 247 | 248 | 249 | 250 | 14,512 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,119) | (9,172) | (9,218) | (9,259) | (9,295) | (9,327) | (768,369) |
| 825: Closing Cost of Removal | (644) | (650) | (654) | (658) | (662) | (665) | (61,984) |
| Project Net | 478 | 423 | 374 | 331 | 292 | 259 | 73,277 |

## Project No: 41000607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

**Project Information**

County % Santa Fe 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 41000607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **41000607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative.

**Project No:** **41000607** **Distr. Remove & Replace**

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of the facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **41000607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increase in equipment reliability by maintaining the distribution system integrity. |

## Project No: 41000607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **41000607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 41000607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,176,583 | - | - | - | - | - | - | 2,176,583 |
| 120: Overtime-General | 698,534 | - | - | - | - | - | - | 698,534 |
| 350: Material Issues-Major | 3,295,631 | - | - | - | - | - | - | 3,295,631 |
| 370: Outside Services | 4,188,929 | 4,643 | 4,643 | 4,643 | 4,643 | 4,643 | 18,440 | 4,230,586 |
| 374: Outside Services Legal | 1,774 | - | - | - | - | - | - | 1,774 |
| 377: Outside Svcs-Temp Labor | 141,864 | - | - | - | - | - | - | 141,864 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,292,781 | - | - | - | - | - | - | 1,292,781 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (3,530,951) | - | - | - | - | - | - | (3,530,951) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 216,031 | - | - | - | - | - | - | 216,031 |
| 914: Pension and Benefits | 737,512 | - | - | - | - | - | - | 737,512 |
| 915: Injuries and Damages | 243,007 | - | - | - | - | - | - | 243,007 |
| 921: Stores Load | 337,175 | - | - | - | - | - | - | 337,175 |
| 922: Minor Material Load | 358,272 | - | - | - | - | - | - | 358,272 |
| 925: E&S Loads | 1,634,665 | 302 | 302 | 302 | 302 | 302 | 1,199 | 1,637,372 |
| 926: A&G Loads | 681,940 | 241 | 241 | 241 | 241 | 241 | 959 | 684,107 |
| 928: AFUDC Debt | 635 | - | - | - | - | - | - | 635 |
| 929: AFUDC Equity | 959 | - | - | - | - | - | - | 959 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,095,788) | (111,375) | (98,589) | (87,337) | (77,435) | (68,722) | (62,774) | (10,602,021) |
| 825: Closing Cost of Removal | (1,147,672) | (37,073) | (32,668) | (28,791) | (25,380) | (22,378) | (19,865) | (1,313,826) |
| Project Net | 1,231,880 | (143,261) | (126,070) | (110,942) | (97,629) | (85,913) | (62,042) | 606,023 |

**Project No:** **41000607** **Distr. Remove & Replace**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,176,583 | - | - | - | - | - | - |
| 120: Overtime-General | 698,534 | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,295,631 | - | - | - | - | - | - |
| 370: Outside Services | 4,230,586 | 18,673 | 18,673 | 18,673 | 18,673 | 18,673 | 18,673 |
| 374: Outside Services Legal | 1,774 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 141,864 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,292,781 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (3,530,951) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 216,031 | - | - | - | - | - | - |
| 914: Pension and Benefits | 737,512 | - | - | - | - | - | - |
| 915: Injuries and Damages | 243,007 | - | - | - | - | - | - |
| 921: Stores Load | 337,175 | - | - | - | - | - | - |
| 922: Minor Material Load | 358,272 | - | - | - | - | - | - |
| 925: E&S Loads | 1,637,372 | 1,307 | 1,307 | 1,307 | 1,307 | 1,307 | 1,307 |
| 926: A&G Loads | 684,107 | 700 | 700 | 700 | 700 | 700 | 700 |
| 928: AFUDC Debt | 635 | - | - | - | - | - | - |
| 929: AFUDC Equity | 959 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,602,021) | (57,549) | (52,951) | (48,905) | (45,344) | (42,211) | (39,453) |
| 825: Closing Cost of Removal | (1,313,826) | (17,655) | (15,710) | (13,999) | (12,493) | (11,167) | (10,001) |
| Project Net | 606,023 | (54,524) | (47,981) | (42,223) | (37,157) | (32,698) | (28,774) |

## Project No: 41000607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 2,176,583 |
| 120: Overtime-General | - | - | - | 698,534 |
| 350: Material Issues-Major | - | - | - | 3,295,631 |
| 370: Outside Services | 18,673 | 18,673 | 18,673 | 4,398,643 |
| 374: Outside Services Legal | - | - | - | 1,774 |
| 377: Outside Svcs-Temp Labor | - | - | - | 141,864 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,292,781 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (3,530,951) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 216,031 |
| 914: Pension and Benefits | - | - | - | 737,512 |
| 915: Injuries and Damages | - | - | - | 243,007 |
| 921: Stores Load | - | - | - | 337,175 |
| 922: Minor Material Load | - | - | - | 358,272 |
| 925: E&S Loads | 1,307 | 1,307 | 1,307 | 1,649,136 |
| 926: A&G Loads | 700 | 700 | 700 | 690,409 |
| 928: AFUDC Debt | - | - | - | 635 |
| 929: AFUDC Equity | - | - | - | 959 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (37,027) | (34,892) | (33,013) | (10,993,366) |
| 825: Closing Cost of Removal | (8,975) | (8,071) | (7,276) | (1,419,174) |
| Project Net | (25,321) | (22,283) | (19,609) | 295,453 |

## Project No: 41000607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,176,583 | - | - | - | 2,176,583 | - | - | - |
| 120: Overtime-General | 698,534 | - | - | - | 698,534 | - | - | - |
| 350: Material Issues-Major | 3,295,631 | - | - | - | 3,295,631 | - | - | - |
| 370: Outside Services | 4,398,643 | 18,673 | 18,673 | 18,673 | 4,454,662 | 18,366 | 18,366 | 18,366 |
| 374: Outside Services Legal | 1,774 | - | - | - | 1,774 | - | - | - |
| 377: Outside Svcs-Temp Labor | 141,864 | - | - | - | 141,864 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,292,781 | - | - | - | 1,292,781 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (3,530,951) | - | - | - | (3,530,951) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 216,031 | - | - | - | 216,031 | - | - | - |
| 914: Pension and Benefits | 737,512 | - | - | - | 737,512 | - | - | - |
| 915: Injuries and Damages | 243,007 | - | - | - | 243,007 | - | - | - |
| 921: Stores Load | 337,175 | - | - | - | 337,175 | - | - | - |
| 922: Minor Material Load | 358,272 | - | - | - | 358,272 | - | - | - |
| 925: E&S Loads | 1,649,136 | 1,307 | 1,307 | 1,307 | 1,653,058 | 1,286 | 1,286 | 1,286 |
| 926: A&G Loads | 690,409 | 700 | 700 | 700 | 692,509 | 645 | 645 | 645 |
| 928: AFUDC Debt | 635 | - | - | - | 635 | - | - | - |
| 929: AFUDC Equity | 959 | - | - | - | 959 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,993,366) | (31,359) | (29,904) | (28,623) | (11,083,252) | (27,454) | (26,424) | (25,518) |
| 825: Closing Cost of Removal | (1,419,174) | (6,577) | (5,961) | (5,420) | (1,437,132) | (4,940) | (4,518) | (4,146) |
| Project Net | 295,453 | (17,256) | (15,185) | (13,363) | 249,650 | (12,097) | (10,646) | (9,368) |

## Project No: 41000607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 2,176,583 |
| 120: Overtime-General | - | - | - | - | - | - | 698,534 |
| 350: Material Issues-Major | - | - | - | - | - | - | 3,295,631 |
| 370: Outside Services | 18,366 | 18,366 | 18,366 | 18,366 | 18,366 | 18,366 | 4,619,956 |
| 374: Outside Services Legal | - | - | - | - | - | - | 1,774 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 141,864 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,292,781 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (3,530,951) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 216,031 |
| 914: Pension and Benefits | - | - | - | - | - | - | 737,512 |
| 915: Injuries and Damages | - | - | - | - | - | - | 243,007 |
| 921: Stores Load | - | - | - | - | - | - | 337,175 |
| 922: Minor Material Load | - | - | - | - | - | - | 358,272 |
| 925: E&S Loads | 1,286 | 1,286 | 1,286 | 1,286 | 1,286 | 1,286 | 1,664,628 |
| 926: A&G Loads | 645 | 645 | 645 | 645 | 645 | 645 | 698,311 |
| 928: AFUDC Debt | - | - | - | - | - | - | 635 |
| 929: AFUDC Equity | - | - | - | - | - | - | 959 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (24,721) | (24,020) | (23,402) | (22,859) | (22,381) | (21,961) | (11,301,993) |
| 825: Closing Cost of Removal | (3,819) | (3,531) | (3,278) | (3,055) | (2,859) | (2,686) | (1,469,964) |
| Project Net | (8,244) | (7,255) | (6,384) | (5,618) | (4,944) | (4,351) | 180,744 |

## Project No: 41000608 Distr. Remove & Replace T&D

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

**Project Information**

| County % | | |
|---|---|---|
| Santa Fe | 90% | |
| Mora | 10% | |

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2032

Description

This project includes the replacement of distribution facilities damaged by conditions such as storms, normal aging, human error (vehicles), varmints, etc. The replacements are most often like-for-like and could include any and all overhead and underground distribution line apparatus.

**Project No:** **41000608** **Distr. Remove & Replace T&D**

Project Need Justification

The replacement of these failed distribution facilities are often associated with customer outages and must be addressed rapidly in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **41000608** **Distr. Remove & Replace T&D**

Project Alternatives

1. Do nothing. PNM will not meet the requirements of franchise agreements and lost service will not be restored.
2. Project alternatives are limited as the safe and expedient restoration of service paramount. In most cases, work will involve the replacement of like-for-like equipment. Other configurations are evaluated on a case-by-case basis, taking into account the best options available.

## Project No: 41000608 Distr. Remove & Replace T&D

| | |
|---|---|
| Project Estimate Approach | Because the majority of activities associated with this project include replacement of facilities damaged by unexpected circumstances, the work required is largely unknown at the time of forecast. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **41000608** **Distr. Remove & Replace T&D**

| | |
|---|---|
| Customer Benefit | Customers benefit from the restoration of power and increase to reliability following the installation of new line assets. |

**Project No:** **41000608 Distr. Remove & Replace T&D**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **41000608** **Distr. Remove & Replace T&D**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when we design the relocation, we are installing new equipment and facilities to current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 41000608 Distr. Remove & Replace T&D

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 206,366 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 | 220,537 |
| 120: Overtime-General | 136,813 | - | - | - | - | - | - | 136,813 |
| 350: Material Issues-Major | 327,349 | 22,437 | 22,437 | 22,437 | 22,437 | 22,437 | 22,437 | 461,972 |
| 370: Outside Services | 527,938 | 34,246 | 34,246 | 34,246 | 34,246 | 34,246 | 34,246 | 733,417 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 6,849 | - | - | - | - | - | - | 6,849 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 217,764 | - | - | - | - | - | - | 217,764 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (135,236) | - | - | - | - | - | - | (135,236) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 26,558 | 180 | 180 | 180 | 180 | 180 | 180 | 27,638 |
| 914: Pension and Benefits | 64,227 | 440 | 440 | 440 | 440 | 440 | 440 | 66,864 |
| 915: Injuries and Damages | 61,605 | 468 | 468 | 468 | 468 | 468 | 468 | 64,411 |
| 921: Stores Load | 15,344 | 5,113 | 5,113 | 5,113 | 5,113 | 5,113 | 5,113 | 46,022 |
| 922: Minor Material Load | 60,077 | - | - | - | - | - | - | 60,077 |
| 925: E&S Loads | 107,836 | 3,909 | 3,909 | 3,909 | 3,909 | 3,909 | 3,909 | 131,287 |
| 926: A&G Loads | 64,051 | 3,070 | 3,070 | 3,070 | 3,070 | 3,070 | 3,070 | 82,473 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,125,696) | (34,707) | (38,603) | (42,031) | (45,047) | (47,702) | (50,038) | (1,383,824) |
| 825: Closing Cost of Removal | (296,173) | (7,063) | (6,822) | (6,610) | (6,424) | (6,259) | (6,115) | (335,467) |
| Project Net | 265,670 | 30,454 | 26,800 | 23,584 | 20,754 | 18,263 | 16,072 | 401,596 |

**Project No:** **41000608** **Distr. Remove & Replace T&D**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 220,537 | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 |
| 120: Overtime-General | 136,813 | - | - | - | - | - | - |
| 350: Material Issues-Major | 461,972 | 21,604 | 21,604 | 21,604 | 21,604 | 21,604 | 21,604 |
| 370: Outside Services | 733,417 | 32,975 | 32,975 | 32,975 | 32,975 | 32,975 | 32,975 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 6,849 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 217,764 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (135,236) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 27,638 | 188 | 188 | 188 | 188 | 188 | 188 |
| 914: Pension and Benefits | 66,864 | 432 | 432 | 432 | 432 | 432 | 432 |
| 915: Injuries and Damages | 64,411 | 431 | 431 | 431 | 431 | 431 | 431 |
| 921: Stores Load | 46,022 | 3,623 | 3,623 | 3,623 | 3,623 | 3,623 | 3,623 |
| 922: Minor Material Load | 60,077 | - | - | - | - | - | - |
| 925: E&S Loads | 131,287 | 4,053 | 4,053 | 4,053 | 4,053 | 4,053 | 4,053 |
| 926: A&G Loads | 82,473 | 2,132 | 2,132 | 2,132 | 2,132 | 2,132 | 2,132 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,383,824) | (51,590) | (52,956) | (54,158) | (55,215) | (56,146) | (56,965) |
| 825: Closing Cost of Removal | (335,467) | (5,950) | (5,805) | (5,677) | (5,565) | (5,466) | (5,378) |
| Project Net | 401,596 | 10,172 | 8,951 | 7,877 | 6,932 | 6,100 | 5,368 |

## Project No: 41000608 Distr. Remove & Replace T&D

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 2,274 | 2,274 | 2,274 | 241,003 |
| 120: Overtime-General | - | - | - | 136,813 |
| 350: Material Issues-Major | 21,604 | 21,604 | 21,604 | 656,408 |
| 370: Outside Services | 32,975 | 32,975 | 32,975 | 1,030,192 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 6,849 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 217,764 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (135,236) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 188 | 188 | 188 | 29,328 |
| 914: Pension and Benefits | 432 | 432 | 432 | 70,751 |
| 915: Injuries and Damages | 431 | 431 | 431 | 68,291 |
| 921: Stores Load | 3,623 | 3,623 | 3,623 | 78,625 |
| 922: Minor Material Load | - | - | - | 60,077 |
| 925: E&S Loads | 4,053 | 4,053 | 4,053 | 167,767 |
| 926: A&G Loads | 2,132 | 2,132 | 2,132 | 101,661 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (57,686) | (58,320) | (58,879) | (1,885,739) |
| 825: Closing Cost of Removal | (5,302) | (5,234) | (5,175) | (385,019) |
| Project Net | 4,724 | 4,157 | 3,658 | 459,534 |

## Project No: 41000608 Distr. Remove & Replace T&D

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 241,003 | 2,274 | 2,274 | 2,274 | 247,825 | 1,241 | 1,241 | 1,241 |
| 120: Overtime-General | 136,813 | - | - | - | 136,813 | - | - | - |
| 350: Material Issues-Major | 656,408 | 21,604 | 21,604 | 21,604 | 721,220 | 11,794 | 11,794 | 11,794 |
| 370: Outside Services | 1,030,192 | 32,975 | 32,975 | 32,975 | 1,129,117 | 18,001 | 18,001 | 18,001 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 6,849 | - | - | - | 6,849 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 217,764 | - | - | - | 217,764 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (135,236) | - | - | - | (135,236) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 29,328 | 188 | 188 | 188 | 29,892 | 103 | 103 | 103 |
| 914: Pension and Benefits | 70,751 | 432 | 432 | 432 | 72,046 | 236 | 236 | 236 |
| 915: Injuries and Damages | 68,291 | 431 | 431 | 431 | 69,584 | 235 | 235 | 235 |
| 921: Stores Load | 78,625 | 3,623 | 3,623 | 3,623 | 89,493 | 1,978 | 1,978 | 1,978 |
| 922: Minor Material Load | 60,077 | - | - | - | 60,077 | - | - | - |
| 925: E&S Loads | 167,767 | 4,053 | 4,053 | 4,053 | 179,927 | 2,213 | 2,213 | 2,213 |
| 926: A&G Loads | 101,661 | 2,132 | 2,132 | 2,132 | 108,057 | 1,089 | 1,089 | 1,089 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,885,739) | (59,370) | (59,802) | (60,182) | (2,065,093) | (57,077) | (54,345) | (51,940) |
| 825: Closing Cost of Removal | (385,019) | (5,123) | (5,077) | (5,036) | (400,255) | (4,742) | (4,483) | (4,255) |
| Project Net | 459,534 | 3,219 | 2,833 | 2,493 | 468,079 | (24,930) | (21,938) | (19,306) |

## Project No: 41000608 Distr. Remove & Replace T&D

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 | 258,994 |
| 120: Overtime-General | - | - | - | - | - | - | 136,813 |
| 350: Material Issues-Major | 11,794 | 11,794 | 11,794 | 11,794 | 11,794 | 11,794 | 827,366 |
| 370: Outside Services | 18,001 | 18,001 | 18,001 | 18,001 | 18,001 | 18,001 | 1,291,126 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 6,849 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 217,764 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (135,236) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 103 | 103 | 103 | 103 | 103 | 103 | 30,814 |
| 914: Pension and Benefits | 236 | 236 | 236 | 236 | 236 | 236 | 74,167 |
| 915: Injuries and Damages | 235 | 235 | 235 | 235 | 235 | 235 | 71,702 |
| 921: Stores Load | 1,978 | 1,978 | 1,978 | 1,978 | 1,978 | 1,978 | 107,292 |
| 922: Minor Material Load | - | - | - | - | - | - | 60,077 |
| 925: E&S Loads | 2,213 | 2,213 | 2,213 | 2,213 | 2,213 | 2,213 | 199,841 |
| 926: A&G Loads | 1,089 | 1,089 | 1,089 | 1,089 | 1,089 | 1,089 | 117,861 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (49,824) | (47,962) | (46,324) | (44,882) | (43,613) | (42,496) | (2,503,555) |
| 825: Closing Cost of Removal | (4,054) | (3,877) | (3,722) | (3,585) | (3,465) | (3,359) | (435,796) |
| Project Net | (16,989) | (14,950) | (13,156) | (11,578) | (10,188) | (8,966) | 326,077 |

## Project No: 41000707 Distr. system Improvements

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

**Project Information**

County % Santa Fe 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

**Project No:** **41000707** **Distr. system Improvements**

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **41000707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

**Project No:** **41000707** **Distr. system Improvements**

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **41000707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 41000707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **41000707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 41000707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,889,828 | - | - | - | - | - | - | 1,889,828 |
| 120: Overtime-General | 253,355 | - | - | - | - | - | - | 253,355 |
| 350: Material Issues-Major | 3,921,936 | - | - | - | - | - | - | 3,921,936 |
| 370: Outside Services | 5,304,176 | 49,778 | 49,778 | 49,778 | 49,778 | 49,778 | 49,778 | 5,602,845 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 55,528 | - | - | - | - | - | - | 55,528 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 292,933 | - | - | - | - | - | - | 292,933 |
| 805: Land and Land Rights | 14,475 | - | - | - | - | - | - | 14,475 |
| 807: Non Refundable Contrib | (716,131) | - | - | - | - | - | - | (716,131) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 159,611 | - | - | - | - | - | - | 159,611 |
| 914: Pension and Benefits | 543,785 | - | - | - | - | - | - | 543,785 |
| 915: Injuries and Damages | 180,215 | - | - | - | - | - | - | 180,215 |
| 921: Stores Load | 375,741 | - | - | - | - | - | - | 375,741 |
| 922: Minor Material Load | 339,170 | - | - | - | - | - | - | 339,170 |
| 925: E&S Loads | 1,734,189 | 3,236 | 3,236 | 3,236 | 3,236 | 3,236 | 3,236 | 1,753,602 |
| 926: A&G Loads | 736,319 | 2,588 | 2,588 | 2,588 | 2,588 | 2,588 | 2,588 | 751,849 |
| 928: AFUDC Debt | 266,433 | 1,360 | 1,323 | 1,290 | 1,261 | 1,235 | 1,212 | 274,113 |
| 929: AFUDC Equity | 228,498 | 1,449 | 1,409 | 1,374 | 1,343 | 1,316 | 1,292 | 236,682 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (13,804,537) | (69,705) | (67,874) | (66,254) | (64,821) | (63,554) | (62,433) | (14,199,178) |
| 825: Closing Cost of Removal | (1,072,664) | (21,647) | (19,517) | (17,642) | (15,992) | (14,540) | (13,262) | (1,175,263) |
| Project Net | 702,860 | (32,942) | (29,056) | (25,629) | (22,607) | (19,941) | (17,589) | 555,097 |

## Project No: 41000707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,889,828 | - | - | - | - | - | - |
| 120: Overtime-General | 253,355 | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,921,936 | - | - | - | - | - | - |
| 370: Outside Services | 5,602,845 | 50,002 | 50,002 | 50,002 | 50,002 | 50,002 | 50,002 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 55,528 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 292,933 | - | - | - | - | - | - |
| 805: Land and Land Rights | 14,475 | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (716,131) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 159,611 | - | - | - | - | - | - |
| 914: Pension and Benefits | 543,785 | - | - | - | - | - | - |
| 915: Injuries and Damages | 180,215 | - | - | - | - | - | - |
| 921: Stores Load | 375,741 | - | - | - | - | - | - |
| 922: Minor Material Load | 339,170 | - | - | - | - | - | - |
| 925: E&S Loads | 1,753,602 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| 926: A&G Loads | 751,849 | 1,875 | 1,875 | 1,875 | 1,875 | 1,875 | 1,875 |
| 928: AFUDC Debt | 274,113 | 1,075 | 1,059 | 1,044 | 1,032 | 1,020 | 1,010 |
| 929: AFUDC Equity | 236,682 | 1,454 | 1,432 | 1,413 | 1,395 | 1,380 | 1,367 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (14,199,178) | (61,425) | (60,533) | (59,744) | (59,046) | (58,428) | (57,882) |
| 825: Closing Cost of Removal | (1,175,263) | (12,136) | (11,145) | (10,272) | (9,505) | (8,830) | (8,235) |
| Project Net | 555,097 | (15,654) | (13,809) | (12,182) | (10,747) | (9,480) | (8,363) |

## Project No: 41000707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,889,828 |
| 120: Overtime-General | - | - | - | 253,355 |
| 350: Material Issues-Major | - | - | - | 3,921,936 |
| 370: Outside Services | 50,002 | 50,002 | 50,002 | 6,052,863 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 55,528 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 292,933 |
| 805: Land and Land Rights | - | - | - | 14,475 |
| 807: Non Refundable Contrib | - | - | - | (716,131) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 159,611 |
| 914: Pension and Benefits | - | - | - | 543,785 |
| 915: Injuries and Damages | - | - | - | 180,215 |
| 921: Stores Load | - | - | - | 375,741 |
| 922: Minor Material Load | - | - | - | 339,170 |
| 925: E&S Loads | 3,500 | 3,500 | 3,500 | 1,785,104 |
| 926: A&G Loads | 1,875 | 1,875 | 1,875 | 768,725 |
| 928: AFUDC Debt | 1,001 | 994 | 987 | 283,334 |
| 929: AFUDC Equity | 1,355 | 1,344 | 1,335 | 249,158 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (57,399) | (56,972) | (56,594) | (14,727,201) |
| 825: Closing Cost of Removal | (7,712) | (7,252) | (6,847) | (1,257,197) |
| Project Net | (7,378) | (6,509) | (5,742) | 465,232 |

## Project No: 41000707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,889,828 | - | - | - | 1,889,828 | - | - | - |
| 120: Overtime-General | 253,355 | - | - | - | 253,355 | - | - | - |
| 350: Material Issues-Major | 3,921,936 | - | - | - | 3,921,936 | - | - | - |
| 370: Outside Services | 6,052,863 | 50,002 | 50,002 | 50,002 | 6,202,869 | 49,106 | 49,106 | 49,106 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 55,528 | - | - | - | 55,528 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 292,933 | - | - | - | 292,933 | - | - | - |
| 805: Land and Land Rights | 14,475 | - | - | - | 14,475 | - | - | - |
| 807: Non Refundable Contrib | (716,131) | - | - | - | (716,131) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 159,611 | - | - | - | 159,611 | - | - | - |
| 914: Pension and Benefits | 543,785 | - | - | - | 543,785 | - | - | - |
| 915: Injuries and Damages | 180,215 | - | - | - | 180,215 | - | - | - |
| 921: Stores Load | 375,741 | - | - | - | 375,741 | - | - | - |
| 922: Minor Material Load | 339,170 | - | - | - | 339,170 | - | - | - |
| 925: E&S Loads | 1,785,104 | 3,500 | 3,500 | 3,500 | 1,795,604 | 3,437 | 3,437 | 3,437 |
| 926: A&G Loads | 768,725 | 1,875 | 1,875 | 1,875 | 774,350 | 1,724 | 1,724 | 1,724 |
| 928: AFUDC Debt | 283,334 | 980 | 975 | 970 | 286,260 | 946 | 941 | 936 |
| 929: AFUDC Equity | 249,158 | 1,326 | 1,319 | 1,313 | 253,116 | 1,492 | 1,484 | 1,477 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (14,727,201) | (56,260) | (55,964) | (55,702) | (14,895,127) | (55,367) | (55,070) | (54,807) |
| 825: Closing Cost of Removal | (1,257,197) | (6,490) | (6,177) | (5,901) | (1,275,764) | (5,648) | (5,426) | (5,231) |
| Project Net | 465,232 | (5,066) | (4,469) | (3,943) | 451,755 | (4,310) | (3,805) | (3,359) |

## Project No: 41000707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,889,828 |
| 120: Overtime-General | - | - | - | - | - | - | 253,355 |
| 350: Material Issues-Major | - | - | - | - | - | - | 3,921,936 |
| 370: Outside Services | 49,106 | 49,106 | 49,106 | 49,106 | 49,106 | 49,106 | 6,644,823 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 55,528 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 292,933 |
| 805: Land and Land Rights | - | - | - | - | - | - | 14,475 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (716,131) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 159,611 |
| 914: Pension and Benefits | - | - | - | - | - | - | 543,785 |
| 915: Injuries and Damages | - | - | - | - | - | - | 180,215 |
| 921: Stores Load | - | - | - | - | - | - | 375,741 |
| 922: Minor Material Load | - | - | - | - | - | - | 339,170 |
| 925: E&S Loads | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 3,437 | 1,826,541 |
| 926: A&G Loads | 1,724 | 1,724 | 1,724 | 1,724 | 1,724 | 1,724 | 789,863 |
| 928: AFUDC Debt | 932 | 928 | 925 | 922 | 919 | 917 | 294,625 |
| 929: AFUDC Equity | 1,470 | 1,464 | 1,459 | 1,454 | 1,450 | 1,447 | 266,313 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (54,575) | (54,369) | (54,187) | (54,026) | (53,883) | (53,757) | (15,385,168) |
| 825: Closing Cost of Removal | (5,059) | (4,908) | (4,775) | (4,658) | (4,555) | (4,464) | (1,320,488) |
| Project Net | (2,965) | (2,618) | (2,311) | (2,040) | (1,801) | (1,590) | 426,955 |

## Project No: 41001707 Santa Fe Pure Project

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

**Project Information**

County % Santa Fe 100%

Estimated Start Date 12/1/2013

Estimated Completion Date 12/31/2032

Description

The Plant Unit Replacement Equipment Process (PURE) process was designed to allow for all 5 of the PURE assets to be capitalized under a single blanket work order number. This project involves the replacement of damaged or obsolete equipment in PNM's distribution system. The specific equipment to be replaced may include lightning arrestors, cross-arms, cut-outs, capacitors, and insulators.

## Project No: 41001707 Santa Fe Pure Project

Project Need Justification

Replacing damaged or obsolete equipment in the distribution system ensures that PNM maintains reliable service while reducing hazardous conditions, which improves safety for PNM personnel, customers, and the public. Projects are created based on equipment conditions as determined from inspections, line patrols, and outage records.
NMPRC Rule 17.9.560, Service Standards for Electric Utilities Rules, outlines the requirements for following electrical and safety standards (National Electric Safety Code), minimizing interruption of service, and protective safety measures. Work needed for repairing and replacing aging distribution components is identified during routine inspections, line patrols, as well as responding to outages.

**Project No:** **41001707** **Santa Fe Pure Project**

| | |
|---|---|
| Project Alternatives | Not replacing damaged or obsolete equipment in the distribution system will not ensure system reliability and expose PNM personnel, customers, and the public to hazardous risks. |

**Project No:** **41001707** **Santa Fe Pure Project**

| | |
|---|---|
| Project Estimate Approach | The project includes costs for internal labor, equipment, materials, transportation, and contractors if they are needed. PNM maintains detailed historical records of equipment replacement activities. These records allow PNM to estimate typical future annual replacement projections and needs. This project estimate is established by analyzing the most recent 12-month actual spend to estimate costs for the forecast period. |

**Project No:** **41001707** **Santa Fe Pure Project**

| | |
|---|---|
| Customer Benefit | Replacing damaged and obsolete equipment increases reliability of PNM's distribution system while also improving safety conditions for PNM employees, customers, and the public. |

## Project No: 41001707 Santa Fe Pure Project

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **41001707** **Santa Fe Pure Project**

General Services

Reliability & Resiliency

Replacing damaged or obsolete distribution components reduces outages and increase overall system reliability.

Safety & Security

Replacing damaged or obsolete distribution components reduces PNM employee, customer, and public exposure to possible hazards and increases the overall safety of the distribution system.

Technology Advancements

## Project No: 41001707 Santa Fe Pure Project

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 715,686 | - | - | - | - | - | - | 715,686 |
| 120: Overtime-General | 241,156 | - | - | - | - | - | - | 241,156 |
| 350: Material Issues-Major | 393,763 | - | - | - | - | - | - | 393,763 |
| 370: Outside Services | 2,532,572 | 22,861 | 22,861 | 22,861 | 22,861 | 22,861 | 22,861 | 2,669,735 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 431,851 | - | - | - | - | - | - | 431,851 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 72,846 | - | - | - | - | - | - | 72,846 |
| 914: Pension and Benefits | 233,613 | - | - | - | - | - | - | 233,613 |
| 915: Injuries and Damages | 82,238 | - | - | - | - | - | - | 82,238 |
| 921: Stores Load | 54,466 | - | - | - | - | - | - | 54,466 |
| 922: Minor Material Load | 36,030 | - | - | - | - | - | - | 36,030 |
| 925: E&S Loads | 607,906 | 1,486 | 1,486 | 1,486 | 1,486 | 1,486 | 1,486 | 616,822 |
| 926: A&G Loads | 262,634 | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 | 269,767 |
| 928: AFUDC Debt | 18,268 | - | - | - | - | - | - | 18,268 |
| 929: AFUDC Equity | 29,733 | - | - | - | - | - | - | 29,733 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,340,034) | (23,748) | - | - | (71,243) | - | (47,495) | (5,482,520) |
| 825: Closing Cost of Removal | (372,729) | (1,787) | - | - | (5,362) | - | (3,575) | (383,454) |
| Project Net | - | - | 25,535 | 25,535 | (51,070) | 25,535 | (25,535) | (0) |

## Project No: 41001707 Santa Fe Pure Project

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 715,686 | - | - | - | - | - | - |
| 120: Overtime-General | 241,156 | - | - | - | - | - | - |
| 350: Material Issues-Major | 393,763 | - | - | - | - | - | - |
| 370: Outside Services | 2,669,735 | 23,546 | 23,546 | 23,546 | 23,546 | 23,546 | 23,546 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 431,851 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 72,846 | - | - | - | - | - | - |
| 914: Pension and Benefits | 233,613 | - | - | - | - | - | - |
| 915: Injuries and Damages | 82,238 | - | - | - | - | - | - |
| 921: Stores Load | 54,466 | - | - | - | - | - | - |
| 922: Minor Material Load | 36,030 | - | - | - | - | - | - |
| 925: E&S Loads | 616,822 | 1,648 | 1,648 | 1,648 | 1,648 | 1,648 | 1,648 |
| 926: A&G Loads | 269,767 | 883 | 883 | 883 | 883 | 883 | 883 |
| 928: AFUDC Debt | 18,268 | - | - | - | - | - | - |
| 929: AFUDC Equity | 29,733 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,482,520) | - | - | - | (97,007) | - | - |
| 825: Closing Cost of Removal | (383,454) | - | - | - | (7,302) | - | - |
| Project Net | (0) | 26,077 | 26,077 | 26,077 | (78,232) | 26,077 | 26,077 |

## Project No: 41001707 Santa Fe Pure Project

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 715,686 |
| 120: Overtime-General | - | - | - | 241,156 |
| 350: Material Issues-Major | - | - | - | 393,763 |
| 370: Outside Services | 23,546 | 23,546 | 23,546 | 2,881,649 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 431,851 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 72,846 |
| 914: Pension and Benefits | - | - | - | 233,613 |
| 915: Injuries and Damages | - | - | - | 82,238 |
| 921: Stores Load | - | - | - | 54,466 |
| 922: Minor Material Load | - | - | - | 36,030 |
| 925: E&S Loads | 1,648 | 1,648 | 1,648 | 631,656 |
| 926: A&G Loads | 883 | 883 | 883 | 277,713 |
| 928: AFUDC Debt | - | - | - | 18,268 |
| 929: AFUDC Equity | - | - | - | 29,733 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (72,755) | - | - | (5,652,283) |
| 825: Closing Cost of Removal | (5,476) | - | - | (396,231) |
| Project Net | (52,154) | 26,077 | 26,077 | 52,154 |

## Project No: 41001707 Santa Fe Pure Project

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 715,686 | - | - | - | 715,686 | - | - | - |
| 120: Overtime-General | 241,156 | - | - | - | 241,156 | - | - | - |
| 350: Material Issues-Major | 393,763 | - | - | - | 393,763 | - | - | - |
| 370: Outside Services | 2,881,649 | 23,546 | 23,546 | 23,546 | 2,952,287 | 24,253 | 24,253 | 24,253 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 431,851 | - | - | - | 431,851 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 72,846 | - | - | - | 72,846 | - | - | - |
| 914: Pension and Benefits | 233,613 | - | - | - | 233,613 | - | - | - |
| 915: Injuries and Damages | 82,238 | - | - | - | 82,238 | - | - | - |
| 921: Stores Load | 54,466 | - | - | - | 54,466 | - | - | - |
| 922: Minor Material Load | 36,030 | - | - | - | 36,030 | - | - | - |
| 925: E&S Loads | 631,656 | 1,648 | 1,648 | 1,648 | 636,600 | 1,698 | 1,698 | 1,698 |
| 926: A&G Loads | 277,713 | 883 | 883 | 883 | 280,362 | 851 | 851 | 851 |
| 928: AFUDC Debt | 18,268 | - | - | - | 18,268 | - | - | - |
| 929: AFUDC Equity | 29,733 | - | - | - | 29,733 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,652,283) | (72,755) | - | (48,504) | (5,773,542) | - | - | - |
| 825: Closing Cost of Removal | (396,231) | (5,476) | - | (3,651) | (405,358) | - | - | - |
| Project Net | 52,154 | (52,154) | 26,077 | (26,077) | (0) | 26,802 | 26,802 | 26,802 |

## Project No: 41001707 Santa Fe Pure Project

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 715,686 |
| 120: Overtime-General | - | - | - | - | - | - | 241,156 |
| 350: Material Issues-Major | - | - | - | - | - | - | 393,763 |
| 370: Outside Services | 24,253 | 24,253 | 24,253 | 24,253 | 24,253 | 24,253 | 3,170,564 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 431,851 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 72,846 |
| 914: Pension and Benefits | - | - | - | - | - | - | 233,613 |
| 915: Injuries and Damages | - | - | - | - | - | - | 82,238 |
| 921: Stores Load | - | - | - | - | - | - | 54,466 |
| 922: Minor Material Load | - | - | - | - | - | - | 36,030 |
| 925: E&S Loads | 1,698 | 1,698 | 1,698 | 1,698 | 1,698 | 1,698 | 651,880 |
| 926: A&G Loads | 851 | 851 | 851 | 851 | 851 | 851 | 288,024 |
| 928: AFUDC Debt | - | - | - | - | - | - | 18,268 |
| 929: AFUDC Equity | - | - | - | - | - | - | 29,733 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (99,703) | - | - | (74,778) | - | - | (5,948,023) |
| 825: Closing Cost of Removal | (7,505) | - | - | (5,628) | - | - | (418,491) |
| Project Net | (80,406) | 26,802 | 26,802 | (53,604) | 26,802 | 26,802 | 53,604 |

## Project No: **41001825** **Cerillos Rd**

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 12/31/2027

Description

This work is associated with the City of Santa Fe's planned Cerrillos Road Widening and Improvements Project. Currently, PNM has a 12.47 kv three phase overhead powerline running north-south along the west and east sides of Cerrillos Road between St. Michael's Drive and West Cordova Road as well as underground cable. This overhead power line and underground cable are occupying city right of way and will be in conflict with the proposed road widening and sidewalk installation. As a result, this overhead power line and underground cable must be relocated along Cerrillos Road and out of the way of the proposed new roadway and sidewalk construction.

## Project No:

**41001825** **Cerillos Rd**

Project Need Justification

If PNM's overhead power line and underground cable are not relocated outside of the proposed road improvements project, then they will be in the new traffic lane and PNM will be in violation with the City of Santa Fe's Americans with Disability Act (ADA) as well as in violation with the current franchise agreement between the City of Santa Fe and PNM. This may jeopardize this agreement.

**Project No:** **41001825** **Cerillos Rd**

Project Alternatives

There is no alternative for relocating this overhead power line and underground cable. The overhead power line and underground cable must be relocated to allow the City of Santa Fe to widen and improve Cerrillos Road.

**Project No:** **41001825** **Cerillos Rd**

Project Estimate Approach

This project estimate was derived by assessing the City of Santa Fe Project design drawings. This assessment included determining what distribution facilities (poles, conductor, overhead, and underground equipment and cable) would be in conflict with the road and sidewalk improvements project and what was required to relocate them out of conflict. Once this assessment was completed, a cost estimate was developed using historic labor and material costs.

**Project No:** **41001825** **Cerillos Rd**

| | |
|---|---|
| Customer Benefit | There are no customer benefits associated with this work. This work is required to comply with the City of Santa Fe's and PNM's franchise agreement. |

| **Project No:** | **41001825 Cerillos Rd** |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | This investment is designed to ensure compliance with the City of Santa Fe's and PNM's franchise agreement. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **41001825** **Cerillos Rd**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 41001825 Cerillos Rd

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,581 | - | - | - | - | - | - | 1,581 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | 135,000 | 135,000 | 135,000 | - | - | 405,000 |
| 370: Outside Services | 72,201 | 20,000 | 425,000 | 425,000 | 425,000 | 425,000 | 3,000 | 1,795,201 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 40 | - | - | - | - | - | - | 40 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 122 | - | - | - | - | - | - | 122 |
| 914: Pension and Benefits | 277 | - | - | - | - | - | - | 277 |
| 915: Injuries and Damages | 316 | - | - | - | - | - | - | 316 |
| 921: Stores Load | 124 | - | 30,764 | 30,764 | 30,764 | - | - | 92,415 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 4,982 | 1,300 | 36,400 | 36,400 | 36,400 | 27,625 | 195 | 143,302 |
| 926: A&G Loads | 4,220 | 1,040 | 29,120 | 29,120 | 29,120 | 22,100 | 156 | 114,876 |
| 928: AFUDC Debt | 282 | 192 | 965 | 2,476 | 3,994 | 5,311 | 3,239 | 16,459 |
| 929: AFUDC Equity | 227 | 205 | 1,029 | 2,638 | 4,256 | 5,660 | 3,452 | 17,468 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (2,592) | - | - | - | (1,073,266) | (1,321,578) | (2,397,436) |
| 825: Closing Cost of Removal | - | (535) | - | - | - | (84,983) | (104,103) | (189,621) |
| Project Net | 84,372 | 19,610 | 658,278 | 661,398 | 664,534 | (672,553) | (1,415,638) | 0 |

## Project No: 41001825 Cerillos Rd

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,581 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 405,000 | - | - | - | - | - | - |
| 370: Outside Services | 1,795,201 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 40 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 122 | - | - | - | - | - | - |
| 914: Pension and Benefits | 277 | - | - | - | - | - | - |
| 915: Injuries and Damages | 316 | - | - | - | - | - | - |
| 921: Stores Load | 92,415 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 143,302 | - | - | - | - | - | - |
| 926: A&G Loads | 114,876 | - | - | - | - | - | - |
| 928: AFUDC Debt | 16,459 | - | - | - | - | - | - |
| 929: AFUDC Equity | 17,468 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,397,436) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (189,621) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 41001825 Cerillos Rd

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,581 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 405,000 |
| 370: Outside Services | - | - | - | 1,795,201 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 40 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 122 |
| 914: Pension and Benefits | - | - | - | 277 |
| 915: Injuries and Damages | - | - | - | 316 |
| 921: Stores Load | - | - | - | 92,415 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 143,302 |
| 926: A&G Loads | - | - | - | 114,876 |
| 928: AFUDC Debt | - | - | - | 16,459 |
| 929: AFUDC Equity | - | - | - | 17,468 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (2,397,436) |
| 825: Closing Cost of Removal | - | - | - | (189,621) |
| Project Net | - | - | - | 0 |

## Project No: 41001825 Cerillos Rd

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,581 | - | - | - | 1,581 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 405,000 | - | - | - | 405,000 | - | - | - |
| 370: Outside Services | 1,795,201 | - | - | - | 1,795,201 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 40 | - | - | - | 40 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 122 | - | - | - | 122 | - | - | - |
| 914: Pension and Benefits | 277 | - | - | - | 277 | - | - | - |
| 915: Injuries and Damages | 316 | - | - | - | 316 | - | - | - |
| 921: Stores Load | 92,415 | - | - | - | 92,415 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 143,302 | - | - | - | 143,302 | - | - | - |
| 926: A&G Loads | 114,876 | - | - | - | 114,876 | - | - | - |
| 928: AFUDC Debt | 16,459 | - | - | - | 16,459 | - | - | - |
| 929: AFUDC Equity | 17,468 | - | - | - | 17,468 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,397,436) | - | - | - | (2,397,436) | - | - | - |
| 825: Closing Cost of Removal | (189,621) | - | - | - | (189,621) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 41001825 Cerillos Rd

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,581 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 405,000 |
| 370: Outside Services | - | - | - | - | - | - | 1,795,201 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 40 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 122 |
| 914: Pension and Benefits | - | - | - | - | - | - | 277 |
| 915: Injuries and Damages | - | - | - | - | - | - | 316 |
| 921: Stores Load | - | - | - | - | - | - | 92,415 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 143,302 |
| 926: A&G Loads | - | - | - | - | - | - | 114,876 |
| 928: AFUDC Debt | - | - | - | - | - | - | 16,459 |
| 929: AFUDC Equity | - | - | - | - | - | - | 17,468 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,397,436) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (189,621) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 41002316 Bird Guard Reliabilty

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 410 | Santa Fe Electric Servics |

**Project Information**

| | | | |
|---|---|---|---|
| County % | Santa Fe | 100% | |

Estimated Start Date 12/18/2015

Estimated Completion Date 12/31/2032

Description

This project involves the installation of protective covers for overhead distribution equipment to prevent birds and other wildlife from coming in direct contact with energized infrastructure. Bird or other wildlife contact with energized infrastructure often causes electrical outages and can be fatal to the animal.

## Project No: 41002316 Bird Guard Reliabilty

Project Need Justification

Avian and other wildlife contact with electrical distribution infrastructure is a leading cause of outages annually across PNM's system. This project will help increase PNM's reliability by hardening equipment to reduce the chances of wildlife-caused outages, while simultaneously providing environmental benefit of protecting wildlife. Protective covers for energized equipment is an economical means of preventing electrical contact of birds and other animals that leads to outages, especially in retrofit applications.

**Project No:** **41002316** **Bird Guard Reliabilty**

Project Alternatives

1. Do nothing. This will maintain the risk of birds and other wildlife coming in direct contact with energized infrastructure.

The following alternatives are more expensive options. They can also include the need to acquire additional right-of-way easements which can be expensive, time consuming, and/or challenging-to-impossible. These options may still require the need for equipment covers.

2. Change pole construction type
3. Use longer spanning cross arms

## Project No: 41002316 Bird Guard Reliabilty

| | |
|---|---|
| Project Estimate Approach | The estimate for annual spend on the project was developed by escalating the most recent 12-month spend by 2% annually. Additionally, incremental savings may be achieved by coordinating the scheduling of installation of bird guards simultaneously with two other projects: PURE (funding project 10001707); and Pole Grounds (funding project 10002516). |

**Project No:** **41002316** **Bird Guard Reliabilty**

| | |
|---|---|
| Customer Benefit | Bird guard installation increases reliability by reducing outages caused by electrical contact from birds and other wildlife. |

## Project No: 41002316 Bird Guard Reliabilty

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Installing bird guards reduces the hazard of electrical contact with birds and other wildlife, some of whom may be protected by federal or state environmental regulations. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **41002316** **Bird Guard Reliabilty**

General Services

Reliability & Resiliency

Installing bird guards increases reliability by reducing outages caused by electrical contact from birds and other wildlife.

Safety & Security

Technology Advancements

## Project No: 41002316 Bird Guard Reliabilty

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 213,654 | 3,987 | 3,987 | 3,987 | 3,987 | 3,987 | 3,987 | 237,574 |
| 120: Overtime-General | 32,808 | - | - | - | - | - | - | 32,808 |
| 350: Material Issues-Major | 105,697 | 2,562 | 2,562 | 2,562 | 2,562 | 2,562 | 2,562 | 121,067 |
| 370: Outside Services | 737,861 | - | - | - | - | - | - | 737,861 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 110,844 | - | - | - | - | - | - | 110,844 |
| 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 | 18,885 | 304 | 304 | 304 | 304 | 304 | 304 | 20,707 |
| 914: Pension and Benefits | 60,637 | 742 | 742 | 742 | 742 | 742 | 742 | 65,088 |
| 915: Injuries and Damages | 20,099 | 789 | 789 | 789 | 789 | 789 | 789 | 24,835 |
| 921: Stores Load | 23,230 | 584 | 584 | 584 | 584 | 584 | 584 | 26,733 |
| 922: Minor Material Load | 9,502 | - | - | - | - | - | - | 9,502 |
| 925: E&S Loads | 181,874 | 545 | 545 | 545 | 545 | 545 | 545 | 185,144 |
| 926: A&G Loads | 74,053 | 341 | 341 | 341 | 341 | 341 | 341 | 76,096 |
| 928: AFUDC Debt | 2,856 | - | - | - | - | - | - | 2,856 |
| 929: AFUDC Equity | 5,516 | - | - | - | - | - | - | 5,516 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,593,380) | (13,299) | - | - | (27,489) | - | (18,326) | (1,652,494) |
| 825: Closing Cost of Removal | - | (690) | - | - | (2,069) | - | (1,379) | (4,138) |
| Project Net | 4,136 | (4,136) | 9,853 | 9,853 | (19,705) | 9,853 | (9,853) | 0 |

## Project No: 41002316 Bird Guard Reliabilty

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 237,574 | 4,046 | 4,046 | 4,046 | 4,046 | 4,046 | 4,046 |
| 120: Overtime-General | 32,808 | - | - | - | - | - | - |
| 350: Material Issues-Major | 121,067 | 3,201 | 3,201 | 3,201 | 3,201 | 3,201 | 3,201 |
| 370: Outside Services | 737,861 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 110,844 | - | - | - | - | - | - |
| 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 | 20,707 | 334 | 334 | 334 | 334 | 334 | 334 |
| 914: Pension and Benefits | 65,088 | 768 | 768 | 768 | 768 | 768 | 768 |
| 915: Injuries and Damages | 24,835 | 767 | 767 | 767 | 767 | 767 | 767 |
| 921: Stores Load | 26,733 | 537 | 537 | 537 | 537 | 537 | 537 |
| 922: Minor Material Load | 9,502 | - | - | - | - | - | - |
| 925: E&S Loads | 185,144 | 638 | 638 | 638 | 638 | 638 | 638 |
| 926: A&G Loads | 76,096 | 272 | 272 | 272 | 272 | 272 | 272 |
| 928: AFUDC Debt | 2,856 | - | - | - | - | - | - |
| 929: AFUDC Equity | 5,516 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,652,494) | - | - | - | (39,296) | - | - |
| 825: Closing Cost of Removal | (4,138) | - | - | - | (2,958) | - | - |
| Project Net | 0 | 10,563 | 10,563 | 10,563 | (31,690) | 10,563 | 10,563 |

## Project No: 41002316 Bird Guard Reliabilty

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 4,046 | 4,046 | 4,046 | 273,988 |
| 120: Overtime-General | - | - | - | 32,808 |
| 350: Material Issues-Major | 3,201 | 3,201 | 3,201 | 149,876 |
| 370: Outside Services | - | - | - | 737,861 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 110,844 |
| 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 | 334 | 334 | 334 | 23,715 |
| 914: Pension and Benefits | 768 | 768 | 768 | 72,003 |
| 915: Injuries and Damages | 767 | 767 | 767 | 31,739 |
| 921: Stores Load | 537 | 537 | 537 | 31,563 |
| 922: Minor Material Load | - | - | - | 9,502 |
| 925: E&S Loads | 638 | 638 | 638 | 190,887 |
| 926: A&G Loads | 272 | 272 | 272 | 78,542 |
| 928: AFUDC Debt | - | - | - | 2,856 |
| 929: AFUDC Equity | - | - | - | 5,516 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (29,472) | - | - | (1,721,261) |
| 825: Closing Cost of Removal | (2,218) | - | - | (9,314) |
| Project Net | (21,127) | 10,563 | 10,563 | 21,127 |

## Project No: 41002316 Bird Guard Reliabilty

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 273,988 | 4,046 | 4,046 | 4,046 | 286,126 | 2,870 | 2,870 | 2,870 |
| 120: Overtime-General | 32,808 | - | - | - | 32,808 | - | - | - |
| 350: Material Issues-Major | 149,876 | 3,201 | 3,201 | 3,201 | 159,479 | 5,261 | 5,261 | 5,261 |
| 370: Outside Services | 737,861 | - | - | - | 737,861 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 110,844 | - | - | - | 110,844 | - | - | - |
| 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 | 23,715 | 334 | 334 | 334 | 24,718 | 237 | 237 | 237 |
| 914: Pension and Benefits | 72,003 | 768 | 768 | 768 | 74,308 | 545 | 545 | 545 |
| 915: Injuries and Damages | 31,739 | 767 | 767 | 767 | 34,041 | 544 | 544 | 544 |
| 921: Stores Load | 31,563 | 537 | 537 | 537 | 33,174 | 882 | 882 | 882 |
| 922: Minor Material Load | 9,502 | - | - | - | 9,502 | - | - | - |
| 925: E&S Loads | 190,887 | 638 | 638 | 638 | 192,802 | 662 | 662 | 662 |
| 926: A&G Loads | 78,542 | 272 | 272 | 272 | 79,357 | 285 | 285 | 285 |
| 928: AFUDC Debt | 2,856 | - | - | - | 2,856 | - | - | - |
| 929: AFUDC Equity | 5,516 | - | - | - | 5,516 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,721,261) | (29,472) | - | (19,648) | (1,770,380) | - | - | - |
| 825: Closing Cost of Removal | (9,314) | (2,218) | - | (1,479) | (13,011) | - | - | - |
| Project Net | 21,127 | (21,127) | 10,563 | (10,563) | 0 | 11,287 | 11,287 | 11,287 |

## Project No: 41002316 Bird Guard Reliabilty

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 311,956 |
| 120: Overtime-General | - | - | - | - | - | - | 32,808 |
| 350: Material Issues-Major | 5,261 | 5,261 | 5,261 | 5,261 | 5,261 | 5,261 | 206,828 |
| 370: Outside Services | - | - | - | - | - | - | 737,861 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 110,844 |
| 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 | 237 | 237 | 237 | 237 | 237 | 237 | 26,851 |
| 914: Pension and Benefits | 545 | 545 | 545 | 545 | 545 | 545 | 79,213 |
| 915: Injuries and Damages | 544 | 544 | 544 | 544 | 544 | 544 | 38,938 |
| 921: Stores Load | 882 | 882 | 882 | 882 | 882 | 882 | 41,113 |
| 922: Minor Material Load | - | - | - | - | - | - | 9,502 |
| 925: E&S Loads | 662 | 662 | 662 | 662 | 662 | 662 | 198,760 |
| 926: A&G Loads | 285 | 285 | 285 | 285 | 285 | 285 | 81,926 |
| 928: AFUDC Debt | - | - | - | - | - | - | 2,856 |
| 929: AFUDC Equity | - | - | - | - | - | - | 5,516 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (41,987) | - | - | (31,490) | - | - | (1,843,857) |
| 825: Closing Cost of Removal | (3,160) | - | - | (2,370) | - | - | (18,542) |
| Project Net | (33,860) | 11,287 | 11,287 | (22,574) | 11,287 | 11,287 | 22,574 |

## Project No: 41002516 Pole Grounds

Company: 001 Electric Services
Location: 410 Santa Fe Electric Servics

**Project Information**

County % Santa Fe 100%

Estimated Start Date 12/18/2015

Estimated Completion Date 12/31/2032

Description

This project is intended primarily to replace stolen copper pole grounds using a less valuable copper clad steel wire. Pole grounds are wires attached to equipment on the pole and/or attached to the neutral conductor running the length of the pole. They enable the proper operation of protective devices, provide paths for lightning strikes to ground, and provide voltage stability. For many years PNM used all copper wire for the ground wires. In recent years, theft of the copper ground wires has increased due to its increased market value at salvage/recycling yards. The #4 copper clad steel wire is used for general pole grounding and 2/0 copper clad steel wire is used for grounding poles with pole mounted switches or backbone conductor risers attached to the poles.

**Project No:** **41002516** **Pole Grounds**

Project Need Justification

Pole grounds are necessary on all poles with equipment attached, such as transformers, capacitors, risers, and switches, for the proper and safe operation of the distribution system. At a minimum, four grounds per mile of overhead line are required when equipment is not attached to poles. With increased theft of copper grounds, it is necessary to replace the stolen grounds to keep the distribution system safe and operating properly.

**Project No:** **41002516** **Pole Grounds**

Project Alternatives

1. Do nothing. The minimum requirement, of four grounds per mile of overhead line when equipment is not attached to poles, will not be met. This will not support proper and safe operation of the distribution system.
2. Replace stolen ground wires with the same copper wire that was stolen. This likely would result in repeated thefts, increased costs, and could impact safety due to the need to repeatedly replace the wiring.

**Project No:** **41002516** **Pole Grounds**

| | |
|---|---|
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |

**Project No:** **41002516** **Pole Grounds**

| | |
|---|---|
| Customer Benefit | Performing this work helps to increase PNM's distribution system reliability and safety through voltage stabilization and proper operation of protective grounding devices. |

| **Project No:** | **41002516** **Pole Grounds** |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560, Service Standards for Electric Utilities requires utilities to maintain plant such that continuity of service and safety of persons and property are assured as reasonably possible. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 41002516 Pole Grounds

General Services

Reliability & Resiliency

Performing this work helps to increase PNM's distribution system reliability through voltage stabilization and proper operation of protective grounding devices.

Safety & Security

Maintaining grounds on the distribution system helps ensure that metal equipment will not become energized, which exposes PNM employees and contractors, and the public, to dangerous voltages. Ground wires also help ensure protective devices and lightning protection systems operate properly.

Technology Advancements

## Project No: 41002516 Pole Grounds

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,358 | - | - | - | - | - | - | 8,358 |
| 120: Overtime-General | 2,133 | - | - | - | - | - | - | 2,133 |
| 350: Material Issues-Major | 13,429 | - | - | - | - | - | - | 13,429 |
| 370: Outside Services | 46,189 | 1,381 | 1,381 | 1,381 | 1,381 | 1,381 | 1,381 | 54,474 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,633 | - | - | - | - | - | - | 4,633 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 819 | - | - | - | - | - | - | 819 |
| 914: Pension and Benefits | 2,509 | - | - | - | - | - | - | 2,509 |
| 915: Injuries and Damages | 1,045 | - | - | - | - | - | - | 1,045 |
| 921: Stores Load | 849 | - | - | - | - | - | - | 849 |
| 922: Minor Material Load | 1,899 | - | - | - | - | - | - | 1,899 |
| 925: E&S Loads | 11,086 | 90 | 90 | 90 | 90 | 90 | 90 | 11,624 |
| 926: A&G Loads | 4,509 | 72 | 72 | 72 | 72 | 72 | 72 | 4,940 |
| 928: AFUDC Debt | 86 | - | - | - | - | - | - | 86 |
| 929: AFUDC Equity | 127 | - | - | - | - | - | - | 127 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (78,810) | (8,904) | - | - | (4,304) | - | (2,869) | (94,886) |
| 825: Closing Cost of Removal | (11,393) | (108) | - | - | (324) | - | (216) | (12,041) |
| Project Net | 7,469 | (7,469) | 1,542 | 1,542 | (3,085) | 1,542 | (1,542) | 0 |

## Project No: 41002516 Pole Grounds

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,358 | - | - | - | - | - | - |
| 120: Overtime-General | 2,133 | - | - | - | - | - | - |
| 350: Material Issues-Major | 13,429 | - | - | - | - | - | - |
| 370: Outside Services | 54,474 | 1,674 | 1,674 | 1,674 | 1,674 | 1,674 | 1,674 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,633 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 819 | - | - | - | - | - | - |
| 914: Pension and Benefits | 2,509 | - | - | - | - | - | - |
| 915: Injuries and Damages | 1,045 | - | - | - | - | - | - |
| 921: Stores Load | 849 | - | - | - | - | - | - |
| 922: Minor Material Load | 1,899 | - | - | - | - | - | - |
| 925: E&S Loads | 11,624 | 117 | 117 | 117 | 117 | 117 | 117 |
| 926: A&G Loads | 4,940 | 63 | 63 | 63 | 63 | 63 | 63 |
| 928: AFUDC Debt | 86 | - | - | - | - | - | - |
| 929: AFUDC Equity | 127 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (94,886) | - | - | - | (6,897) | - | - |
| 825: Closing Cost of Removal | (12,041) | - | - | - | (519) | - | - |
| Project Net | 0 | 1,854 | 1,854 | 1,854 | (5,562) | 1,854 | 1,854 |

## Project No: 41002516 Pole Grounds

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 8,358 |
| 120: Overtime-General | - | - | - | 2,133 |
| 350: Material Issues-Major | - | - | - | 13,429 |
| 370: Outside Services | 1,674 | 1,674 | 1,674 | 69,540 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 4,633 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 819 |
| 914: Pension and Benefits | - | - | - | 2,509 |
| 915: Injuries and Damages | - | - | - | 1,045 |
| 921: Stores Load | - | - | - | 849 |
| 922: Minor Material Load | - | - | - | 1,899 |
| 925: E&S Loads | 117 | 117 | 117 | 12,679 |
| 926: A&G Loads | 63 | 63 | 63 | 5,505 |
| 928: AFUDC Debt | - | - | - | 86 |
| 929: AFUDC Equity | - | - | - | 127 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (5,173) | - | - | (106,955) |
| 825: Closing Cost of Removal | (389) | - | - | (12,950) |
| Project Net | (3,708) | 1,854 | 1,854 | 3,708 |

## Project No: 41002516 Pole Grounds

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,358 | - | - | - | 8,358 | - | - | - |
| 120: Overtime-General | 2,133 | - | - | - | 2,133 | - | - | - |
| 350: Material Issues-Major | 13,429 | - | - | - | 13,429 | - | - | - |
| 370: Outside Services | 69,540 | 1,674 | 1,674 | 1,674 | 74,562 | 1,848 | 1,848 | 1,848 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,633 | - | - | - | 4,633 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 819 | - | - | - | 819 | - | - | - |
| 914: Pension and Benefits | 2,509 | - | - | - | 2,509 | - | - | - |
| 915: Injuries and Damages | 1,045 | - | - | - | 1,045 | - | - | - |
| 921: Stores Load | 849 | - | - | - | 849 | - | - | - |
| 922: Minor Material Load | 1,899 | - | - | - | 1,899 | - | - | - |
| 925: E&S Loads | 12,679 | 117 | 117 | 117 | 13,030 | 129 | 129 | 129 |
| 926: A&G Loads | 5,505 | 63 | 63 | 63 | 5,693 | 65 | 65 | 65 |
| 928: AFUDC Debt | 86 | - | - | - | 86 | - | - | - |
| 929: AFUDC Equity | 127 | - | - | - | 127 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (106,955) | (5,173) | - | (3,448) | (115,576) | - | - | - |
| 825: Closing Cost of Removal | (12,950) | (389) | - | (260) | (13,599) | - | - | - |
| Project Net | 3,708 | (3,708) | 1,854 | (1,854) | 0 | 2,042 | 2,042 | 2,042 |

## Project No: 41002516 Pole Grounds

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 8,358 |
| 120: Overtime-General | - | - | - | - | - | - | 2,133 |
| 350: Material Issues-Major | - | - | - | - | - | - | 13,429 |
| 370: Outside Services | 1,848 | 1,848 | 1,848 | 1,848 | 1,848 | 1,848 | 91,194 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 4,633 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 819 |
| 914: Pension and Benefits | - | - | - | - | - | - | 2,509 |
| 915: Injuries and Damages | - | - | - | - | - | - | 1,045 |
| 921: Stores Load | - | - | - | - | - | - | 849 |
| 922: Minor Material Load | - | - | - | - | - | - | 1,899 |
| 925: E&S Loads | 129 | 129 | 129 | 129 | 129 | 129 | 14,195 |
| 926: A&G Loads | 65 | 65 | 65 | 65 | 65 | 65 | 6,277 |
| 928: AFUDC Debt | - | - | - | - | - | - | 86 |
| 929: AFUDC Equity | - | - | - | - | - | - | 127 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,597) | - | - | (5,698) | - | - | (128,871) |
| 825: Closing Cost of Removal | (572) | - | - | (429) | - | - | (14,599) |
| Project Net | (6,127) | 2,042 | 2,042 | (4,084) | 2,042 | 2,042 | 4,084 |

## Project No: 50000607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 500 Belen Division

**Project Information**

County % Valencia 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 50000607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **50000607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative.

## Project No: 50000607 Distr. Remove & Replace

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of the facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **50000607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increase in equipment reliability by maintaining the distribution system integrity. |

## Project No: 50000607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **50000607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 50000607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,342,598 | - | - | - | - | - | - | 1,342,598 |
| 120: Overtime-General | 1,064,701 | - | - | - | - | - | - | 1,064,701 |
| 350: Material Issues-Major | 2,206,349 | - | - | - | - | - | - | 2,206,349 |
| 370: Outside Services | 4,234,650 | 46,433 | 46,433 | 46,433 | 46,433 | 46,433 | 20,974 | 4,487,791 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 54,662 | - | - | - | - | - | - | 54,662 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 983,973 | - | - | - | - | - | - | 983,973 |
| 805: Land and Land Rights | 38,972 | - | - | - | - | - | - | 38,972 |
| 807: Non Refundable Contrib | (1,540,565) | - | - | - | - | - | - | (1,540,565) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 180,210 | - | - | - | - | - | - | 180,210 |
| 914: Pension and Benefits | 618,074 | - | - | - | - | - | - | 618,074 |
| 915: Injuries and Damages | 194,794 | - | - | - | - | - | - | 194,794 |
| 921: Stores Load | 179,275 | - | - | - | - | - | - | 179,275 |
| 922: Minor Material Load | 266,526 | - | - | - | - | - | - | 266,526 |
| 925: E&S Loads | 1,303,987 | 3,018 | 3,018 | 3,018 | 3,018 | 3,018 | 1,363 | 1,320,441 |
| 926: A&G Loads | 513,442 | 2,415 | 2,415 | 2,415 | 2,415 | 2,415 | 1,091 | 526,606 |
| 928: AFUDC Debt | 4 | - | - | - | - | - | - | 4 |
| 929: AFUDC Equity | 2 | - | - | - | - | - | - | 2 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,462,958) | (69,253) | (66,731) | (64,511) | (62,558) | (60,840) | (56,153) | (9,843,004) |
| 825: Closing Cost of Removal | (1,575,936) | (9,302) | (8,622) | (8,023) | (7,496) | (7,032) | (6,385) | (1,622,795) |
| Project Net | 602,760 | (26,689) | (23,486) | (20,668) | (18,188) | (16,005) | (39,110) | 458,614 |

**Project No:** **50000607** **Distr. Remove & Replace**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,342,598 | - | - | - | - | - | - |
| 120: Overtime-General | 1,064,701 | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,206,349 | - | - | - | - | - | - |
| 370: Outside Services | 4,487,791 | 21,239 | 21,239 | 21,239 | 21,239 | 21,239 | 21,239 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 54,662 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 983,973 | - | - | - | - | - | - |
| 805: Land and Land Rights | 38,972 | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (1,540,565) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 180,210 | - | - | - | - | - | - |
| 914: Pension and Benefits | 618,074 | - | - | - | - | - | - |
| 915: Injuries and Damages | 194,794 | - | - | - | - | - | - |
| 921: Stores Load | 179,275 | - | - | - | - | - | - |
| 922: Minor Material Load | 266,526 | - | - | - | - | - | - |
| 925: E&S Loads | 1,320,441 | 1,487 | 1,487 | 1,487 | 1,487 | 1,487 | 1,487 |
| 926: A&G Loads | 526,606 | 796 | 796 | 796 | 796 | 796 | 796 |
| 928: AFUDC Debt | 4 | - | - | - | - | - | - |
| 929: AFUDC Equity | 2 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,843,004) | (52,040) | (48,420) | (45,235) | (42,432) | (39,965) | (37,794) |
| 825: Closing Cost of Removal | (1,622,795) | (5,816) | (5,316) | (4,876) | (4,488) | (4,147) | (3,847) |
| Project Net | 458,614 | (34,334) | (30,214) | (26,588) | (23,398) | (20,590) | (18,119) |

## Project No: 50000607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,342,598 |
| 120: Overtime-General | - | - | - | 1,064,701 |
| 350: Material Issues-Major | - | - | - | 2,206,349 |
| 370: Outside Services | 21,239 | 21,239 | 21,239 | 4,678,942 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 54,662 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 983,973 |
| 805: Land and Land Rights | - | - | - | 38,972 |
| 807: Non Refundable Contrib | - | - | - | (1,540,565) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 180,210 |
| 914: Pension and Benefits | - | - | - | 618,074 |
| 915: Injuries and Damages | - | - | - | 194,794 |
| 921: Stores Load | - | - | - | 179,275 |
| 922: Minor Material Load | - | - | - | 266,526 |
| 925: E&S Loads | 1,487 | 1,487 | 1,487 | 1,333,821 |
| 926: A&G Loads | 796 | 796 | 796 | 533,774 |
| 928: AFUDC Debt | - | - | - | 4 |
| 929: AFUDC Equity | - | - | - | 2 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (35,884) | (34,203) | (32,724) | (10,211,702) |
| 825: Closing Cost of Removal | (3,583) | (3,351) | (3,146) | (1,661,364) |
| Project Net | (15,945) | (14,032) | (12,348) | 263,046 |

## Project No: 50000607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,342,598 | - | - | - | 1,342,598 | - | - | - |
| 120: Overtime-General | 1,064,701 | - | - | - | 1,064,701 | - | - | - |
| 350: Material Issues-Major | 2,206,349 | - | - | - | 2,206,349 | - | - | - |
| 370: Outside Services | 4,678,942 | 21,239 | 21,239 | 21,239 | 4,742,659 | 20,890 | 20,890 | 20,890 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 54,662 | - | - | - | 54,662 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 983,973 | - | - | - | 983,973 | - | - | - |
| 805: Land and Land Rights | 38,972 | - | - | - | 38,972 | - | - | - |
| 807: Non Refundable Contrib | (1,540,565) | - | - | - | (1,540,565) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 180,210 | - | - | - | 180,210 | - | - | - |
| 914: Pension and Benefits | 618,074 | - | - | - | 618,074 | - | - | - |
| 915: Injuries and Damages | 194,794 | - | - | - | 194,794 | - | - | - |
| 921: Stores Load | 179,275 | - | - | - | 179,275 | - | - | - |
| 922: Minor Material Load | 266,526 | - | - | - | 266,526 | - | - | - |
| 925: E&S Loads | 1,333,821 | 1,487 | 1,487 | 1,487 | 1,338,282 | 1,462 | 1,462 | 1,462 |
| 926: A&G Loads | 533,774 | 796 | 796 | 796 | 536,163 | 733 | 733 | 733 |
| 928: AFUDC Debt | 4 | - | - | - | 4 | - | - | - |
| 929: AFUDC Equity | 2 | - | - | - | 2 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,211,702) | (31,422) | (30,276) | (29,268) | (10,302,669) | (28,332) | (27,509) | (26,784) |
| 825: Closing Cost of Removal | (1,661,364) | (2,966) | (2,808) | (2,668) | (1,669,807) | (2,542) | (2,431) | (2,333) |
| Project Net | 263,046 | (10,866) | (9,562) | (8,415) | 234,203 | (7,789) | (6,854) | (6,032) |

## Project No: 50000607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,342,598 |
| 120: Overtime-General | - | - | - | - | - | - | 1,064,701 |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,206,349 |
| 370: Outside Services | 20,890 | 20,890 | 20,890 | 20,890 | 20,890 | 20,890 | 4,930,669 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 54,662 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 983,973 |
| 805: Land and Land Rights | - | - | - | - | - | - | 38,972 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (1,540,565) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 180,210 |
| 914: Pension and Benefits | - | - | - | - | - | - | 618,074 |
| 915: Injuries and Damages | - | - | - | - | - | - | 194,794 |
| 921: Stores Load | - | - | - | - | - | - | 179,275 |
| 922: Minor Material Load | - | - | - | - | - | - | 266,526 |
| 925: E&S Loads | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,351,442 |
| 926: A&G Loads | 733 | 733 | 733 | 733 | 733 | 733 | 542,762 |
| 928: AFUDC Debt | - | - | - | - | - | - | 4 |
| 929: AFUDC Equity | - | - | - | - | - | - | 2 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (26,146) | (25,585) | (25,091) | (24,657) | (24,274) | (23,938) | (10,534,986) |
| 825: Closing Cost of Removal | (2,247) | (2,171) | (2,105) | (2,046) | (1,994) | (1,949) | (1,689,626) |
| Project Net | (5,308) | (4,671) | (4,111) | (3,617) | (3,183) | (2,801) | 189,836 |

## Project No: 50000707 Distr. system Improvements

Company: 001 Electric Services
Location: 500 Belen Division

**Project Information**

| | | | |
|---|---|---|---|
| County % | Valencia | 100% | |

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

**Project No:** **50000707** **Distr. system Improvements**

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **50000707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

**Project No:** **50000707** **Distr. system Improvements**

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **50000707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 50000707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **50000707** **Distr. system Improvements**

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 50000707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 692,910 | - | - | - | - | - | - | 692,910 |
| 120: Overtime-General | 267,914 | - | - | - | - | - | - | 267,914 |
| 350: Material Issues-Major | 1,449,683 | - | - | - | - | - | - | 1,449,683 |
| 370: Outside Services | 2,966,265 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 2,996,265 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 1,919 | - | - | - | - | - | - | 1,919 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 234,846 | - | - | - | - | - | - | 234,846 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (176,691) | - | - | - | - | - | - | (176,691) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 69,038 | - | - | - | - | - | - | 69,038 |
| 914: Pension and Benefits | 242,779 | - | - | - | - | - | - | 242,779 |
| 915: Injuries and Damages | 78,942 | - | - | - | - | - | - | 78,942 |
| 921: Stores Load | 125,468 | - | - | - | - | - | - | 125,468 |
| 922: Minor Material Load | 146,327 | - | - | - | - | - | - | 146,327 |
| 925: E&S Loads | 722,529 | 325 | 325 | 325 | 325 | 325 | 325 | 724,479 |
| 926: A&G Loads | 345,241 | 260 | 260 | 260 | 260 | 260 | 260 | 346,801 |
| 928: AFUDC Debt | 74,551 | 661 | 597 | 540 | 490 | 445 | 406 | 77,690 |
| 929: AFUDC Equity | 85,392 | 705 | 636 | 576 | 522 | 475 | 433 | 88,738 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,621,797) | (32,761) | (29,601) | (26,806) | (24,334) | (22,148) | (20,214) | (6,777,662) |
| 825: Closing Cost of Removal | (416,945) | (2,678) | (2,403) | (2,162) | (1,949) | (1,762) | (1,598) | (429,496) |
| Project Net | 288,372 | (28,487) | (25,186) | (22,267) | (19,687) | (17,405) | (15,388) | 159,952 |

## Project No: 50000707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 692,910 | - | - | - | - | - | - |
| 120: Overtime-General | 267,914 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,449,683 | - | - | - | - | - | - |
| 370: Outside Services | 2,996,265 | 41,695 | 41,695 | 41,695 | 41,695 | 41,695 | 41,695 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 1,919 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 234,846 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (176,691) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 69,038 | - | - | - | - | - | - |
| 914: Pension and Benefits | 242,779 | - | - | - | - | - | - |
| 915: Injuries and Damages | 78,942 | - | - | - | - | - | - |
| 921: Stores Load | 125,468 | - | - | - | - | - | - |
| 922: Minor Material Load | 146,327 | - | - | - | - | - | - |
| 925: E&S Loads | 724,479 | 2,919 | 2,919 | 2,919 | 2,919 | 2,919 | 2,919 |
| 926: A&G Loads | 346,801 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 |
| 928: AFUDC Debt | 77,690 | 377 | 423 | 464 | 500 | 532 | 561 |
| 929: AFUDC Equity | 88,738 | 510 | 572 | 628 | 677 | 720 | 759 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,777,662) | (23,048) | (25,555) | (27,773) | (29,735) | (31,470) | (33,006) |
| 825: Closing Cost of Removal | (429,496) | (1,794) | (1,966) | (2,118) | (2,252) | (2,370) | (2,473) |
| Project Net | 159,952 | 22,222 | 19,651 | 17,378 | 15,368 | 13,590 | 12,018 |

## Project No: 50000707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 692,910 |
| 120: Overtime-General | - | - | - | 267,914 |
| 350: Material Issues-Major | - | - | - | 1,449,683 |
| 370: Outside Services | 41,695 | 41,695 | 41,695 | 3,371,520 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 1,919 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 234,846 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (176,691) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 69,038 |
| 914: Pension and Benefits | - | - | - | 242,779 |
| 915: Injuries and Damages | - | - | - | 78,942 |
| 921: Stores Load | - | - | - | 125,468 |
| 922: Minor Material Load | - | - | - | 146,327 |
| 925: E&S Loads | 2,919 | 2,919 | 2,919 | 750,746 |
| 926: A&G Loads | 1,564 | 1,564 | 1,564 | 360,873 |
| 928: AFUDC Debt | 586 | 608 | 628 | 82,370 |
| 929: AFUDC Equity | 793 | 823 | 849 | 95,069 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (34,364) | (35,565) | (36,628) | (7,054,805) |
| 825: Closing Cost of Removal | (2,564) | (2,644) | (2,715) | (450,394) |
| Project Net | 10,628 | 9,398 | 8,311 | 288,515 |

## Project No: 50000707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 692,910 | - | - | - | 692,910 | - | - | - |
| 120: Overtime-General | 267,914 | - | - | - | 267,914 | - | - | - |
| 350: Material Issues-Major | 1,449,683 | - | - | - | 1,449,683 | - | - | - |
| 370: Outside Services | 3,371,520 | 41,695 | 41,695 | 41,695 | 3,496,605 | 41,007 | 41,007 | 41,007 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 1,919 | - | - | - | 1,919 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 234,846 | - | - | - | 234,846 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (176,691) | - | - | - | (176,691) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 69,038 | - | - | - | 69,038 | - | - | - |
| 914: Pension and Benefits | 242,779 | - | - | - | 242,779 | - | - | - |
| 915: Injuries and Damages | 78,942 | - | - | - | 78,942 | - | - | - |
| 921: Stores Load | 125,468 | - | - | - | 125,468 | - | - | - |
| 922: Minor Material Load | 146,327 | - | - | - | 146,327 | - | - | - |
| 925: E&S Loads | 750,746 | 2,919 | 2,919 | 2,919 | 759,502 | 2,870 | 2,870 | 2,870 |
| 926: A&G Loads | 360,873 | 1,564 | 1,564 | 1,564 | 365,564 | 1,439 | 1,439 | 1,439 |
| 928: AFUDC Debt | 82,370 | 645 | 661 | 674 | 84,350 | 672 | 681 | 689 |
| 929: AFUDC Equity | 95,069 | 873 | 894 | 912 | 97,748 | 1,060 | 1,074 | 1,087 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,054,805) | (37,568) | (38,400) | (39,136) | (7,169,909) | (39,705) | (40,208) | (40,654) |
| 825: Closing Cost of Removal | (450,394) | (2,777) | (2,832) | (2,880) | (458,883) | (2,915) | (2,946) | (2,973) |
| Project Net | 288,515 | 7,350 | 6,500 | 5,748 | 308,113 | 4,429 | 3,918 | 3,467 |

## Project No: 50000707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 692,910 |
| 120: Overtime-General | - | - | - | - | - | - | 267,914 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,449,683 |
| 370: Outside Services | 41,007 | 41,007 | 41,007 | 41,007 | 41,007 | 41,007 | 3,865,668 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 1,919 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 234,846 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (176,691) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 69,038 |
| 914: Pension and Benefits | - | - | - | - | - | - | 242,779 |
| 915: Injuries and Damages | - | - | - | - | - | - | 78,942 |
| 921: Stores Load | - | - | - | - | - | - | 125,468 |
| 922: Minor Material Load | - | - | - | - | - | - | 146,327 |
| 925: E&S Loads | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 2,870 | 785,337 |
| 926: A&G Loads | 1,439 | 1,439 | 1,439 | 1,439 | 1,439 | 1,439 | 378,518 |
| 928: AFUDC Debt | 696 | 703 | 708 | 713 | 717 | 721 | 90,650 |
| 929: AFUDC Equity | 1,098 | 1,108 | 1,117 | 1,125 | 1,132 | 1,138 | 107,688 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (41,048) | (41,397) | (41,706) | (41,979) | (42,221) | (42,435) | (7,541,259) |
| 825: Closing Cost of Removal | (2,997) | (3,018) | (3,036) | (3,053) | (3,067) | (3,080) | (485,967) |
| Project Net | 3,067 | 2,713 | 2,400 | 2,123 | 1,879 | 1,662 | 333,772 |

## Project No: 60001644 Cable Replacement Program 2023-2024

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 8/1/2023

Estimated Completion Date 12/31/2026

| County % | |
|---|---|
| Bernalillo | 30% |
| Santa Fe | 50% |
| Sandoval | 10% |
| Valencia | 10% |

Description

The objective of this project is to improve the system reliability and resiliency of PNM's infrastructure by being proactive in the identification, design and replacement of problematic single phase, three phase, and secondary cable in the underground distribution system. Existing underground distribution cables will be evaluated based on faults, age of cables, and field testing results to determine which cables to replace. PNM will also evaluate the existing cable configurations and install to approved design standards. Cable replacement will improve safety for switching and line crew safety while improving reliability and resiliency for customers. Installation of cables in conduits will add protection to the cable and permit quicker repair/replacement should a fault occur in the future.

## Project No: 60001644 Cable Replacement Program 2023-2024

Project Need Justification

The purpose of this project is to replace underground cable that has multiple splices and/or approaching the end of its useful life. Cable sections are prioritized by number of outages experienced by customers. Existing direct buried cable will be abandoned in place to reduce construction cost. New cable will be installed in conduit to extend the life of the cable and to help facilitate future replacement of the cable if a fault occurs.

**Project No:** **60001644** **Cable Replacement Program 2023-2024**

Project Alternatives

An alternative to this project is to do nothing and repair underground cable faults reactively. This alternative was not considered as this would mean longer outages for customers while the cable fault location is found and a greater chance for a call back as the cable may fault in another location further down/up stream.

## Project No: 60001644 Cable Replacement Program 2023-2024

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. In addition, Class-5 estimates are utilized and based on current industry standards. |

**Project No:** **60001644** **Cable Replacement Program 2023-2024**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |

## Project No: 60001644 Cable Replacement Program 2023-2024

| | |
|---|---|
| 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 newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60001644** **Cable Replacement Program 2023-2024**

General Services

Reliability & Resiliency

By replacing aging underground distribution infrastructure to improve grid performance, electric service reliability increases.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60001644 Cable Replacement Program 2023-2024

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 82,094 | - | - | - | - | - | - | 82,094 |
| 120: Overtime-General | 13,341 | - | - | - | - | - | - | 13,341 |
| 350: Material Issues-Major | 1,956,343 | - | - | - | - | - | - | 1,956,343 |
| 370: Outside Services | 6,737,429 | - | - | - | - | - | - | 6,737,429 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 27,225 | - | - | - | - | - | - | 27,225 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,396 | - | - | - | - | - | - | 7,396 |
| 914: Pension and Benefits | 21,322 | - | - | - | - | - | - | 21,322 |
| 915: Injuries and Damages | 10,710 | - | - | - | - | - | - | 10,710 |
| 921: Stores Load | 88,059 | - | - | - | - | - | - | 88,059 |
| 922: Minor Material Load | 162,969 | - | - | - | - | - | - | 162,969 |
| 925: E&S Loads | 853,835 | - | - | - | - | - | - | 853,835 |
| 926: A&G Loads | 358,875 | - | - | - | - | - | - | 358,875 |
| 928: AFUDC Debt | 81,833 | 1,571 | - | - | - | - | - | 83,404 |
| 929: AFUDC Equity | 85,921 | 1,675 | - | - | - | - | - | 87,595 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,164,421) | (640,255) | - | - | - | - | - | (9,804,676) |
| 825: Closing Cost of Removal | (685,920) | (0) | - | - | - | - | - | (685,920) |
| Project Net | 637,009 | (637,009) | - | - | - | - | - | 0 |

**Project No:** **60001644** **Cable Replacement Program 2023-2024**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 82,094 | - | - | - | - | - | - |
| 120: Overtime-General | 13,341 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,956,343 | - | - | - | - | - | - |
| 370: Outside Services | 6,737,429 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 27,225 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,396 | - | - | - | - | - | - |
| 914: Pension and Benefits | 21,322 | - | - | - | - | - | - |
| 915: Injuries and Damages | 10,710 | - | - | - | - | - | - |
| 921: Stores Load | 88,059 | - | - | - | - | - | - |
| 922: Minor Material Load | 162,969 | - | - | - | - | - | - |
| 925: E&S Loads | 853,835 | - | - | - | - | - | - |
| 926: A&G Loads | 358,875 | - | - | - | - | - | - |
| 928: AFUDC Debt | 83,404 | - | - | - | - | - | - |
| 929: AFUDC Equity | 87,595 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,804,676) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (685,920) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 60001644 Cable Replacement Program 2023-2024

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 82,094 |
| 120: Overtime-General | - | - | - | 13,341 |
| 350: Material Issues-Major | - | - | - | 1,956,343 |
| 370: Outside Services | - | - | - | 6,737,429 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 27,225 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 7,396 |
| 914: Pension and Benefits | - | - | - | 21,322 |
| 915: Injuries and Damages | - | - | - | 10,710 |
| 921: Stores Load | - | - | - | 88,059 |
| 922: Minor Material Load | - | - | - | 162,969 |
| 925: E&S Loads | - | - | - | 853,835 |
| 926: A&G Loads | - | - | - | 358,875 |
| 928: AFUDC Debt | - | - | - | 83,404 |
| 929: AFUDC Equity | - | - | - | 87,595 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (9,804,676) |
| 825: Closing Cost of Removal | - | - | - | (685,920) |
| Project Net | - | - | - | 0 |

## Project No: 60001644 Cable Replacement Program 2023-2024

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 82,094 | - | - | - | 82,094 | - | - | - |
| 120: Overtime-General | 13,341 | - | - | - | 13,341 | - | - | - |
| 350: Material Issues-Major | 1,956,343 | - | - | - | 1,956,343 | - | - | - |
| 370: Outside Services | 6,737,429 | - | - | - | 6,737,429 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 27,225 | - | - | - | 27,225 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,396 | - | - | - | 7,396 | - | - | - |
| 914: Pension and Benefits | 21,322 | - | - | - | 21,322 | - | - | - |
| 915: Injuries and Damages | 10,710 | - | - | - | 10,710 | - | - | - |
| 921: Stores Load | 88,059 | - | - | - | 88,059 | - | - | - |
| 922: Minor Material Load | 162,969 | - | - | - | 162,969 | - | - | - |
| 925: E&S Loads | 853,835 | - | - | - | 853,835 | - | - | - |
| 926: A&G Loads | 358,875 | - | - | - | 358,875 | - | - | - |
| 928: AFUDC Debt | 83,404 | - | - | - | 83,404 | - | - | - |
| 929: AFUDC Equity | 87,595 | - | - | - | 87,595 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,804,676) | - | - | - | (9,804,676) | - | - | - |
| 825: Closing Cost of Removal | (685,920) | - | - | - | (685,920) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 60001644 Cable Replacement Program 2023-2024

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 82,094 |
| 120: Overtime-General | - | - | - | - | - | - | 13,341 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,956,343 |
| 370: Outside Services | - | - | - | - | - | - | 6,737,429 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 27,225 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 7,396 |
| 914: Pension and Benefits | - | - | - | - | - | - | 21,322 |
| 915: Injuries and Damages | - | - | - | - | - | - | 10,710 |
| 921: Stores Load | - | - | - | - | - | - | 88,059 |
| 922: Minor Material Load | - | - | - | - | - | - | 162,969 |
| 925: E&S Loads | - | - | - | - | - | - | 853,835 |
| 926: A&G Loads | - | - | - | - | - | - | 358,875 |
| 928: AFUDC Debt | - | - | - | - | - | - | 83,404 |
| 929: AFUDC Equity | - | - | - | - | - | - | 87,595 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (9,804,676) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (685,920) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 60001645 Cable Replacement Program 2024-2025

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2026

| County % | | |
|---|---|---|
| | Bernalillo | 40% |
| | Valencia | 10% |
| | Santa Fe | 40% |
| | Sandoval | 10% |

Description

The objective of this project is to improve the system reliability and resiliency of PNM's infrastructure by being proactive in the identification, design and replacement of problematic single phase, three phase, and secondary cable in the underground distribution system. Existing underground distribution cables will be evaluated based on faults, age of cables, and field testing results to determine which cables to replace. PNM will also evaluate the existing cable configurations and install to approved design standards. Cable replacement will improve safety for switching and line crew safety while improving reliability and resiliency for customers. Installation of cables in conduits will add protection to the cable and permit quicker repair/replacement should a fault occur in the future.

## Project No: 60001645 Cable Replacement Program 2024-2025

Project Need Justification

The purpose of this project is to replace underground cable that has multiple splices and/or approaching the end of their useful life. Cable sections are prioritized by number of outages experienced by customers. Existing direct buried cable will be abandoned in place to reduce construction cost. New cable will be installed in conduit to extend the life of the cable and to help facilitate future replacement of the cable if a fault occurs.

## Project No: 60001645 Cable Replacement Program 2024-2025

Project Alternatives

An alternative to this project is to do nothing and repair underground cable faults reactively. This alternative was not considered as this would mean longer outages for customers while the cable fault location is found and a greater chance for a call back as the cable may fault in another location further down/up stream.

**Project No:** **60001645** **Cable Replacement Program 2024-2025**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. In addition, Class-5 estimates are utilized and based on current industry standards. |

**Project No:** **60001645** **Cable Replacement Program 2024-2025**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |

## Project No: 60001645 Cable Replacement Program 2024-2025

| | |
|---|---|
| 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. It also decreases the chance of outages for customers, and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60001645** **Cable Replacement Program 2024-2025**

General Services

Reliability & Resiliency

By replacing aging underground distribution infrastructure to improve grid performance, electric service reliability increases.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60001645 Cable Replacement Program 2024-2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 53,380 | - | - | - | - | - | - | 53,380 |
| 120: Overtime-General | 10,266 | - | - | - | - | - | - | 10,266 |
| 350: Material Issues-Major | 1,085,713 | - | - | - | - | - | - | 1,085,713 |
| 370: Outside Services | 3,895,433 | - | - | - | - | - | - | 3,895,433 |
| 374: Outside Services Legal | 65,000 | - | - | - | - | - | - | 65,000 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 29,541 | - | - | - | - | - | - | 29,541 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,944 | - | - | - | - | - | - | 4,944 |
| 914: Pension and Benefits | 11,632 | - | - | - | - | - | - | 11,632 |
| 915: Injuries and Damages | 10,865 | - | - | - | - | - | - | 10,865 |
| 921: Stores Load | 42,940 | - | - | - | - | - | - | 42,940 |
| 922: Minor Material Load | 89,010 | - | - | - | - | - | - | 89,010 |
| 925: E&S Loads | 403,401 | - | - | - | - | - | - | 403,401 |
| 926: A&G Loads | 279,336 | - | - | - | - | - | - | 279,336 |
| 928: AFUDC Debt | 79,977 | 335 | - | - | - | - | - | 80,312 |
| 929: AFUDC Equity | 55,184 | 357 | - | - | - | - | - | 55,541 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,570,052) | (138,217) | - | - | - | - | - | (5,708,269) |
| 825: Closing Cost of Removal | (311,191) | (97,855) | - | - | - | - | - | (409,046) |
| Project Net | 235,379 | (235,379) | - | - | - | - | - | (0) |

**Project No:** **60001645** **Cable Replacement Program 2024-2025**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 53,380 | - | - | - | - | - | - |
| 120: Overtime-General | 10,266 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,085,713 | - | - | - | - | - | - |
| 370: Outside Services | 3,895,433 | - | - | - | - | - | - |
| 374: Outside Services Legal | 65,000 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 29,541 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,944 | - | - | - | - | - | - |
| 914: Pension and Benefits | 11,632 | - | - | - | - | - | - |
| 915: Injuries and Damages | 10,865 | - | - | - | - | - | - |
| 921: Stores Load | 42,940 | - | - | - | - | - | - |
| 922: Minor Material Load | 89,010 | - | - | - | - | - | - |
| 925: E&S Loads | 403,401 | - | - | - | - | - | - |
| 926: A&G Loads | 279,336 | - | - | - | - | - | - |
| 928: AFUDC Debt | 80,312 | - | - | - | - | - | - |
| 929: AFUDC Equity | 55,541 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,708,269) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (409,046) | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 60001645 Cable Replacement Program 2024-2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 53,380 |
| 120: Overtime-General | - | - | - | 10,266 |
| 350: Material Issues-Major | - | - | - | 1,085,713 |
| 370: Outside Services | - | - | - | 3,895,433 |
| 374: Outside Services Legal | - | - | - | 65,000 |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 29,541 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 4,944 |
| 914: Pension and Benefits | - | - | - | 11,632 |
| 915: Injuries and Damages | - | - | - | 10,865 |
| 921: Stores Load | - | - | - | 42,940 |
| 922: Minor Material Load | - | - | - | 89,010 |
| 925: E&S Loads | - | - | - | 403,401 |
| 926: A&G Loads | - | - | - | 279,336 |
| 928: AFUDC Debt | - | - | - | 80,312 |
| 929: AFUDC Equity | - | - | - | 55,541 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (5,708,269) |
| 825: Closing Cost of Removal | - | - | - | (409,046) |
| Project Net | - | - | - | (0) |

## Project No: 60001645 Cable Replacement Program 2024-2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 53,380 | - | - | - | 53,380 | - | - | - |
| 120: Overtime-General | 10,266 | - | - | - | 10,266 | - | - | - |
| 350: Material Issues-Major | 1,085,713 | - | - | - | 1,085,713 | - | - | - |
| 370: Outside Services | 3,895,433 | - | - | - | 3,895,433 | - | - | - |
| 374: Outside Services Legal | 65,000 | - | - | - | 65,000 | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 29,541 | - | - | - | 29,541 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,944 | - | - | - | 4,944 | - | - | - |
| 914: Pension and Benefits | 11,632 | - | - | - | 11,632 | - | - | - |
| 915: Injuries and Damages | 10,865 | - | - | - | 10,865 | - | - | - |
| 921: Stores Load | 42,940 | - | - | - | 42,940 | - | - | - |
| 922: Minor Material Load | 89,010 | - | - | - | 89,010 | - | - | - |
| 925: E&S Loads | 403,401 | - | - | - | 403,401 | - | - | - |
| 926: A&G Loads | 279,336 | - | - | - | 279,336 | - | - | - |
| 928: AFUDC Debt | 80,312 | - | - | - | 80,312 | - | - | - |
| 929: AFUDC Equity | 55,541 | - | - | - | 55,541 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,708,269) | - | - | - | (5,708,269) | - | - | - |
| 825: Closing Cost of Removal | (409,046) | - | - | - | (409,046) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 60001645 Cable Replacement Program 2024-2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 53,380 |
| 120: Overtime-General | - | - | - | - | - | - | 10,266 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,085,713 |
| 370: Outside Services | - | - | - | - | - | - | 3,895,433 |
| 374: Outside Services Legal | - | - | - | - | - | - | 65,000 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 29,541 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 4,944 |
| 914: Pension and Benefits | - | - | - | - | - | - | 11,632 |
| 915: Injuries and Damages | - | - | - | - | - | - | 10,865 |
| 921: Stores Load | - | - | - | - | - | - | 42,940 |
| 922: Minor Material Load | - | - | - | - | - | - | 89,010 |
| 925: E&S Loads | - | - | - | - | - | - | 403,401 |
| 926: A&G Loads | - | - | - | - | - | - | 279,336 |
| 928: AFUDC Debt | - | - | - | - | - | - | 80,312 |
| 929: AFUDC Equity | - | - | - | - | - | - | 55,541 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (5,708,269) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (409,046) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 60001646 Cable Replacement Program 2025-2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

| County % | |
|---|---|
| Bernalillo | 40% |
| Santa Fe | 40% |
| Sandoval | 10% |
| Valencia | 10% |

Description

The objective of this project is to improve the system reliability and resiliency of PNM's infrastructure by being proactive in the identification, design and replacement of problematic single phase, three phase, and secondary cable in the underground distribution system. Existing underground distribution cables will be evaluated based on faults, age of cables, and field testing results to determine which cables to replace. PNM will also evaluate the existing cable configurations and install to approved design standards. Cable replacement will improve safety for switching and line crew safety while improving reliability and resiliency for customers. Installation of cables in conduits will add protection to the cable and permit quicker repair/replacement should a fault occur in the future.

## Project No: 60001646 Cable Replacement Program 2025-2026

Project Need Justification

The purpose of this project is to replace underground cable that has multiple splices and/or approaching the end of its useful life. Cable sections are prioritized by number of outages experienced by customers. Existing direct buried cable will be abandoned in place to reduce construction cost. New cable will be installed in conduit to extend the life of the cable and to help facilitate future replacement of the cable if a fault occurs.

## Project No: 60001646 Cable Replacement Program 2025-2026

Project Alternatives

An alternative to this project is to do nothing and repair underground cable faults reactively. This alternative was not considered as this would mean longer outages for customers while the cable fault location is found and a greater chance for a call back as the cable may fault in another location further down/up stream.

**Project No:** **60001646** **Cable Replacement Program 2025-2026**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. In addition, Class-5 estimates are utilized and based on current industry standards. |

**Project No:** **60001646** **Cable Replacement Program 2025-2026**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |

## Project No: 60001646 Cable Replacement Program 2025-2026

| | |
|---|---|
| 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. It also decreases the chance of outages for customers, and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60001646** **Cable Replacement Program 2025-2026**

General Services

Reliability & Resiliency

By replacing aging underground distribution infrastructure to improve grid performance, electric service reliability increases.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60001646 Cable Replacement Program 2025-2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 46,394 | - | - | - | - | - | - | 46,394 |
| 120: Overtime-General | 2,209 | - | - | - | - | - | - | 2,209 |
| 350: Material Issues-Major | 1,245,619 | - | - | - | - | - | 149 | 1,245,768 |
| 370: Outside Services | 5,820,502 | 1,147,944 | 1,289,945 | 1,310,833 | 831,807 | 278,648 | 37,055 | 10,716,734 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,340 | - | - | - | - | - | - | 10,340 |
| 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 | 3,802 | - | - | - | - | - | - | 3,802 |
| 914: Pension and Benefits | 8,874 | - | - | - | - | - | - | 8,874 |
| 915: Injuries and Damages | 9,200 | - | - | - | - | - | - | 9,200 |
| 921: Stores Load | 56,747 | - | - | - | - | - | 34 | 56,781 |
| 922: Minor Material Load | 89,232 | - | - | - | - | - | - | 89,232 |
| 925: E&S Loads | 482,537 | 74,616 | 83,846 | 85,204 | 54,067 | 18,112 | 2,418 | 800,802 |
| 926: A&G Loads | 395,340 | 59,693 | 67,077 | 68,163 | 43,254 | 14,490 | 1,935 | 649,952 |
| 928: AFUDC Debt | 127,775 | 11,739 | 14,126 | 17,371 | 18,099 | 17,881 | 17,277 | 224,268 |
| 929: AFUDC Equity | 105,603 | 12,511 | 15,054 | 18,513 | 19,289 | 19,057 | 18,413 | 208,441 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,548,108) | (323,437) | (64,364) | (854,655) | (703,477) | (446,360) | (494,714) | (6,435,114) |
| 825: Closing Cost of Removal | (27,049) | (44,695) | (8,011) | (98,512) | (77,588) | (48,377) | (53,257) | (357,489) |
| Project Net | 4,829,016 | 938,372 | 1,397,674 | 546,919 | 185,452 | (146,550) | (470,691) | 7,280,192 |

## Project No: 60001646 Cable Replacement Program 2025-2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 46,394 | - | - | - | - | - | - |
| 120: Overtime-General | 2,209 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,245,768 | - | - | - | - | - | - |
| 370: Outside Services | 10,716,734 | 15,000 | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,340 | - | - | - | - | - | - |
| 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 | 3,802 | - | - | - | - | - | - |
| 914: Pension and Benefits | 8,874 | - | - | - | - | - | - |
| 915: Injuries and Damages | 9,200 | - | - | - | - | - | - |
| 921: Stores Load | 56,781 | - | - | - | - | - | - |
| 922: Minor Material Load | 89,232 | - | - | - | - | - | - |
| 925: E&S Loads | 800,802 | 1,050 | - | - | - | - | - |
| 926: A&G Loads | 649,952 | 563 | - | - | - | - | - |
| 928: AFUDC Debt | 224,268 | 14,626 | 11,923 | - | - | - | - |
| 929: AFUDC Equity | 208,441 | 19,787 | 16,130 | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,435,114) | (1,258,274) | (5,392,273) | - | - | - | - |
| 825: Closing Cost of Removal | (357,489) | (134,658) | (574,068) | - | - | - | - |
| Project Net | 7,280,192 | (1,341,905) | (5,938,287) | - | - | - | - |

## Project No: 60001646 Cable Replacement Program 2025-2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 46,394 |
| 120: Overtime-General | - | - | - | 2,209 |
| 350: Material Issues-Major | - | - | - | 1,245,768 |
| 370: Outside Services | - | - | - | 10,731,734 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 10,340 |
| 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 | - | - | - | 3,802 |
| 914: Pension and Benefits | - | - | - | 8,874 |
| 915: Injuries and Damages | - | - | - | 9,200 |
| 921: Stores Load | - | - | - | 56,781 |
| 922: Minor Material Load | - | - | - | 89,232 |
| 925: E&S Loads | - | - | - | 801,852 |
| 926: A&G Loads | - | - | - | 650,514 |
| 928: AFUDC Debt | - | - | - | 250,817 |
| 929: AFUDC Equity | - | - | - | 244,358 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (13,085,660) |
| 825: Closing Cost of Removal | - | - | - | (1,066,214) |
| Project Net | - | - | - | - |

## Project No: 60001646 Cable Replacement Program 2025-2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 46,394 | - | - | - | 46,394 | - | - | - |
| 120: Overtime-General | 2,209 | - | - | - | 2,209 | - | - | - |
| 350: Material Issues-Major | 1,245,768 | - | - | - | 1,245,768 | - | - | - |
| 370: Outside Services | 10,731,734 | - | - | - | 10,731,734 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,340 | - | - | - | 10,340 | - | - | - |
| 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 | 3,802 | - | - | - | 3,802 | - | - | - |
| 914: Pension and Benefits | 8,874 | - | - | - | 8,874 | - | - | - |
| 915: Injuries and Damages | 9,200 | - | - | - | 9,200 | - | - | - |
| 921: Stores Load | 56,781 | - | - | - | 56,781 | - | - | - |
| 922: Minor Material Load | 89,232 | - | - | - | 89,232 | - | - | - |
| 925: E&S Loads | 801,852 | - | - | - | 801,852 | - | - | - |
| 926: A&G Loads | 650,514 | - | - | - | 650,514 | - | - | - |
| 928: AFUDC Debt | 250,817 | - | - | - | 250,817 | - | - | - |
| 929: AFUDC Equity | 244,358 | - | - | - | 244,358 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (13,085,660) | - | - | - | (13,085,660) | - | - | - |
| 825: Closing Cost of Removal | (1,066,214) | - | - | - | (1,066,214) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60001646 Cable Replacement Program 2025-2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 46,394 |
| 120: Overtime-General | - | - | - | - | - | - | 2,209 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,245,768 |
| 370: Outside Services | - | - | - | - | - | - | 10,731,734 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 10,340 |
| 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 | - | - | - | - | - | - | 3,802 |
| 914: Pension and Benefits | - | - | - | - | - | - | 8,874 |
| 915: Injuries and Damages | - | - | - | - | - | - | 9,200 |
| 921: Stores Load | - | - | - | - | - | - | 56,781 |
| 922: Minor Material Load | - | - | - | - | - | - | 89,232 |
| 925: E&S Loads | - | - | - | - | - | - | 801,852 |
| 926: A&G Loads | - | - | - | - | - | - | 650,514 |
| 928: AFUDC Debt | - | - | - | - | - | - | 250,817 |
| 929: AFUDC Equity | - | - | - | - | - | - | 244,358 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (13,085,660) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (1,066,214) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60001647 Cable Replacement Program 2026-2027

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2026

Estimated Completion Date 1/31/2028

| County % | | |
|---|---|---|
| | Valencia | 10% |
| | Sandoval | 10% |
| | Bernalillo | 40% |
| | Santa Fe | 40% |

Description

The objective of this project is to improve the system reliability and resiliency of PNM's infrastructure by being proactive in the identification, design and replacement of problematic single phase, three phase, and secondary cable in the underground distribution system. Existing underground distribution cables will be evaluated based on faults, age of cables, and field testing results to determine which cables to replace. PNM will also evaluate the existing cable configurations and install to approved design standards. Cable replacement will improve safety for switching and line crew safety while improving reliability and resiliency for customers. Installation of cables in conduits will add protection to the cable and permit quicker repair/replacement should a fault occur in the future.

## Project No: 60001647 Cable Replacement Program 2026-2027

Project Need Justification

The purpose of this project is to replace underground cable that has multiple splices and/or approaching the end of its useful life. Cable sections are prioritized by number of outages experienced by customers. Existing direct buried cable will be abandoned in place to reduce construction cost. New cable will be installed in conduit to extend the life of the cable and to help facilitate future replacement of the cable if a fault occurs.

**Project No:** **60001647** **Cable Replacement Program 2026-2027**

Project Alternatives

An alternative to this project is to do nothing and repair underground cable faults reactively. This alternative was not considered as this would mean longer outages for customers while the cable fault location is found and a greater chance for a call back as the cable may fault in another location further down/up stream.

**Project No:** **60001647** **Cable Replacement Program 2026-2027**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. In addition, Class-5 estimates are utilized and based on current industry standards. |

**Project No:** **60001647** **Cable Replacement Program 2026-2027**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |

## Project No: 60001647 Cable Replacement Program 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 | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60001647** **Cable Replacement Program 2026-2027**

General Services

Reliability & Resiliency

Customers benefit through reduced outage durations, which come from more reliable and accessible equipment.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60001647 Cable Replacement Program 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 | - | - | - | - | - | - | - | - |
| 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: 60001647 Cable Replacement Program 2026-2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 1,079,610 | 1,079,610 | 1,079,610 | 1,079,610 | 1,079,610 | 1,079,610 |
| 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 | - | 75,573 | 75,573 | 75,573 | 75,573 | 75,573 | 75,573 |
| 926: A&G Loads | - | 40,485 | 40,485 | 40,485 | 40,485 | 40,485 | 40,485 |
| 928: AFUDC Debt | - | 1,237 | 3,718 | 6,212 | 8,719 | 10,539 | 11,530 |
| 929: AFUDC Equity | - | 1,674 | 5,030 | 8,404 | 11,795 | 14,257 | 15,598 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (314,627) | (691,186) | (1,210,593) |
| 825: Closing Cost of Removal | - | - | - | - | (23,435) | (51,356) | (89,752) |
| Project Net | - | 1,198,579 | 1,204,416 | 1,210,284 | 878,120 | 477,922 | (77,548) |

## Project No: 60001647 Cable Replacement Program 2026-2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 1,079,610 | 1,079,610 | 1,079,610 | 9,716,492 |
| 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 | 75,573 | 75,573 | 75,573 | 680,154 |
| 926: A&G Loads | 40,485 | 40,485 | 40,485 | 364,368 |
| 928: AFUDC Debt | 11,371 | 11,245 | 10,768 | 75,338 |
| 929: AFUDC Equity | 15,383 | 15,212 | 14,567 | 101,920 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (1,195,501) | (1,352,589) | (650,461) | (5,414,956) |
| 825: Closing Cost of Removal | (88,480) | (99,972) | (48,033) | (401,029) |
| Project Net | (61,559) | (230,436) | 522,510 | 5,122,288 |

## Project No: 60001647 Cable Replacement Program 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 | 9,716,492 | 1,079,610 | 1,079,610 | 1,079,610 | 12,955,323 | - | - | - |
| 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 | 680,154 | 75,573 | 75,573 | 75,573 | 906,873 | - | - | - |
| 926: A&G Loads | 364,368 | 40,485 | 40,485 | 40,485 | 485,825 | - | - | - |
| 928: AFUDC Debt | 75,338 | 11,851 | 11,100 | 10,286 | 108,575 | 9,307 | - | - |
| 929: AFUDC Equity | 101,920 | 16,033 | 15,017 | 13,915 | 146,885 | 14,683 | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,414,956) | (1,477,475) | (1,504,039) | (936,477) | (9,332,947) | (4,290,161) | - | - |
| 825: Closing Cost of Removal | (401,029) | (108,985) | (110,876) | (69,025) | (689,914) | (314,447) | - | - |
| Project Net | 5,122,288 | (362,907) | (393,130) | 214,368 | 4,580,618 | (4,580,618) | - | - |

## Project No: 60001647 Cable Replacement Program 2026-2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 12,955,323 |
| 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 | - | - | - | - | - | - | 906,873 |
| 926: A&G Loads | - | - | - | - | - | - | 485,825 |
| 928: AFUDC Debt | - | - | - | - | - | - | 117,882 |
| 929: AFUDC Equity | - | - | - | - | - | - | 161,568 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (13,623,108) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (1,004,361) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 60001648 Cable Replacement Program 2027-2028

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

| County % | |
|---|---|
| Bernalillo | 40% |
| Santa Fe | 40% |
| Sandoval | 10% |
| Valencia | 10% |

Description

The objective of this project is to improve the system reliability and resiliency of PNM's infrastructure by being proactive in the identification, design and replacement of problematic single phase, three phase, and secondary cable in the underground distribution system. Existing underground distribution cables will be evaluated based on faults, age of cables, and field testing results to determine which cables to replace. PNM will also evaluate the existing cable configurations and install to approved design standards. Cable replacement will improve safety for switching and line crew safety while improving reliability and resiliency for customers. Installation of cables in conduits will add protection to the cable and permit quicker repair/replacement should a fault occur in the future.

## Project No: 60001648 Cable Replacement Program 2027-2028

Project Need Justification

This project will replace underground cable that has multiple splices and/or is approaching the end of its useful life. Cable sections are prioritized by number of outages experienced by customers. Existing direct buried cable will be abandoned in place to reduce construction cost. New cable will be installed in conduit to extend the life of the cable and to help facilitate future replacement of the cable if a fault occurs.

## Project No: 60001648 Cable Replacement Program 2027-2028

Project Alternatives

An alternative to this project is to do nothing and repair underground cable faults reactively. This alternative was not considered as this would mean longer outages for customers while the cable fault location is found and a greater chance for a call back as the cable may fault in another location further down/up stream.

**Project No:** **60001648** **Cable Replacement Program 2027-2028**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on 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:** **60001648** **Cable Replacement Program 2027-2028**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |

## Project No: 60001648 Cable Replacement Program 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 | This project increases the reliability of the customer's connection to the distribution system because of the newly installed infrastructure. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable has been replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60001648** **Cable Replacement Program 2027-2028**

General Services

Reliability & Resiliency

Customers benefit through reduced outage durations, which come from more reliable and accessible equipment.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60001648 Cable Replacement Program 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: 60001648 Cable Replacement Program 2027-2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 162 | 875 | 875 | 1,732 | 1,732 | 1,732 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 31,494 | 169,839 | 169,839 | 335,939 | 335,939 | 335,939 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 812 | 4,377 | 4,377 | 8,658 | 8,658 | 8,658 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 72 | 72 | 143 | 143 | 143 |
| 914: Pension and Benefits | - | 31 | 166 | 166 | 329 | 329 | 329 |
| 915: Injuries and Damages | - | 31 | 166 | 166 | 328 | 328 | 328 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 2,278 | 12,285 | 12,285 | 24,299 | 24,299 | 24,299 |
| 926: A&G Loads | - | 1,218 | 6,566 | 6,566 | 12,987 | 12,987 | 12,987 |
| 928: AFUDC Debt | - | 37 | 276 | 679 | 1,282 | 2,084 | 2,891 |
| 929: AFUDC Equity | - | 50 | 373 | 919 | 1,734 | 2,819 | 3,910 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 36,126 | 194,995 | 195,945 | 387,432 | 389,319 | 391,217 |

## Project No: 60001648 Cable Replacement Program 2027-2028

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 1,732 | 1,732 | 875 | 11,447 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 335,939 | 335,939 | 169,839 | 2,220,706 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 8,658 | 8,658 | 4,377 | 57,233 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 143 | 143 | 72 | 946 |
| 914: Pension and Benefits | 329 | 329 | 166 | 2,174 |
| 915: Injuries and Damages | 328 | 328 | 166 | 2,170 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 24,299 | 24,299 | 12,285 | 160,627 |
| 926: A&G Loads | 12,987 | 12,987 | 6,566 | 85,852 |
| 928: AFUDC Debt | 3,701 | 4,516 | 5,139 | 20,605 |
| 929: AFUDC Equity | 5,007 | 6,110 | 6,952 | 27,875 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 393,124 | 395,041 | 206,436 | 2,589,636 |

## Project No: 60001648 Cable Replacement Program 2027-2028

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 11,447 | 866 | 162 | 162 | 12,637 | 12,500 | 12,500 | 12,500 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | 275,000 | 275,000 | 275,000 |
| 370: Outside Services | 2,220,706 | 167,969 | 31,494 | 31,494 | 2,451,663 | 707,500 | 707,500 | 707,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 57,233 | 4,329 | 812 | 812 | 63,186 | 12,500 | 12,500 | 12,500 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 946 | 72 | 13 | 13 | 1,044 | 1,033 | 1,033 | 1,033 |
| 914: Pension and Benefits | 2,174 | 164 | 31 | 31 | 2,400 | 2,374 | 2,374 | 2,374 |
| 915: Injuries and Damages | 2,170 | 164 | 31 | 31 | 2,396 | 2,370 | 2,370 | 2,370 |
| 921: Stores Load | - | - | - | - | - | 46,112 | 46,112 | 46,112 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 160,627 | 12,149 | 2,278 | 2,278 | 177,333 | 70,929 | 70,929 | 70,929 |
| 926: A&G Loads | 85,852 | 6,494 | 1,218 | 1,218 | 94,781 | 35,363 | 35,363 | 35,363 |
| 928: AFUDC Debt | 20,605 | 5,565 | 5,831 | 5,936 | 37,937 | 7,069 | 9,474 | 11,892 |
| 929: AFUDC Equity | 27,875 | 7,529 | 7,888 | 8,030 | 51,323 | 11,153 | 14,947 | 18,762 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (1,204,773) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | (88,235) |
| Project Net | 2,589,636 | 205,302 | 49,757 | 50,005 | 2,894,699 | 1,183,902 | 1,190,101 | (96,673) |

## Project No: 60001648 Cable Replacement Program 2027-2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 125,137 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 | 2,475,000 |
| 370: Outside Services | 707,500 | 707,500 | 707,500 | 707,500 | 707,500 | 707,500 | 8,819,163 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 175,686 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 10,336 |
| 914: Pension and Benefits | 2,374 | 2,374 | 2,374 | 2,374 | 2,374 | 2,374 | 23,764 |
| 915: Injuries and Damages | 2,370 | 2,370 | 2,370 | 2,370 | 2,370 | 2,370 | 23,726 |
| 921: Stores Load | 46,112 | 46,112 | 46,112 | 46,112 | 46,112 | 46,112 | 415,008 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 70,929 | 70,929 | 70,929 | 70,929 | 70,929 | 70,929 | 815,697 |
| 926: A&G Loads | 35,363 | 35,363 | 35,363 | 35,363 | 35,363 | 35,363 | 413,050 |
| 928: AFUDC Debt | 11,695 | 11,408 | 11,180 | 10,874 | 10,634 | 10,446 | 132,609 |
| 929: AFUDC Equity | 18,452 | 17,998 | 17,638 | 17,156 | 16,778 | 16,481 | 200,687 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,245,998) | (1,218,171) | (1,253,020) | (1,222,020) | (1,197,705) | (1,232,206) | (8,573,891) |
| 825: Closing Cost of Removal | (91,253) | (89,225) | (91,796) | (89,552) | (87,802) | (90,366) | (628,229) |
| Project Net | (141,422) | (112,309) | (150,317) | (117,862) | (92,414) | (129,964) | 4,427,742 |

## Project No: 60001715 Storm Funding Project Co01

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

County % Lincoln 100%

Estimated Start Date 4/21/2015

Estimated Completion Date 12/31/2032

Description

This project captures emergent equipment replacement costs arising from regional storm events. These costs were associated with the Ruidoso Ice Storm in 2026.

**Project No:** **60001715** **Storm Funding Project Co01**

| | |
|---|---|
| Project Need Justification | This is a reliability project designed to enable rapid restoration of customers following major storms. |

**Project No:** **60001715** **Storm Funding Project Co01**

Project Alternatives

The only alternative is to do nothing. However, this would mean equipment damaged during storm events would not be replaced which would negatively impact PNM's ability to provide customers with electric service.

**Project No:** **60001715** **Storm Funding Project Co01**

| | |
|---|---|
| Project Estimate Approach | This project is a reactive project where costs cannot be reasonably estimated in advance. The funding level has been estimated using past storms as a reference point, but individual storm characteristics make project estimates difficult to complete. Resources used consist of internal and external labor. |

**Project No:** **60001715** **Storm Funding Project Co01**

Customer Benefit

Customers whose service is interrupted by a major storm are restored sooner. Because funding for emergent equipment replacement is already in place, crews can do not need to wait for separate authorization. This shortens the time customers in the affected area are without power.

**Project No:** **60001715** **Storm Funding Project Co01**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **60001715** **Storm Funding Project Co01**

General Services

Reliability & Resiliency

Emergency restoration activities including replacements of damaged equipment are necessary to restore service quickly to customers.

Safety & Security

Technology Advancements

## Project No: 60001715 Storm Funding Project Co01

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,136,949 | - | - | - | - | - | - | 1,136,949 |
| 120: Overtime-General | 2,608,093 | - | - | - | - | - | - | 2,608,093 |
| 350: Material Issues-Major | 3,759,000 | - | - | - | - | - | - | 3,759,000 |
| 370: Outside Services | 19,471,315 | - | - | - | - | - | - | 19,471,315 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,897 | - | - | - | 2,500,000 | - | - | 2,502,897 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,178,645 | - | - | - | - | - | - | 2,178,645 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 299,039 | - | - | - | - | - | - | 299,039 |
| 914: Pension and Benefits | 807,406 | - | - | - | - | - | - | 807,406 |
| 915: Injuries and Damages | 636,134 | - | - | - | - | - | - | 636,134 |
| 921: Stores Load | 353,887 | - | - | - | - | - | - | 353,887 |
| 922: Minor Material Load | 195,720 | - | - | - | - | - | - | 195,720 |
| 925: E&S Loads | 2,194,632 | - | - | - | 162,500 | - | - | 2,357,132 |
| 926: A&G Loads | 1,111,839 | - | - | - | 130,000 | - | - | 1,241,839 |
| 928: AFUDC Debt | 252,619 | - | - | - | 3,582 | - | - | 256,201 |
| 929: AFUDC Equity | 287,465 | - | - | - | 2,727 | - | - | 290,192 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (28,241,770) | - | - | - | (2,603,333) | - | - | (30,845,104) |
| 825: Closing Cost of Removal | (7,067,402) | - | - | - | (181,942) | - | - | (7,249,345) |
| Project Net | (13,533) | - | - | - | 13,533 | - | - | - |

## Project No: 60001715 Storm Funding Project Co01

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,136,949 | - | - | - | - | - | - |
| 120: Overtime-General | 2,608,093 | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,759,000 | - | - | - | - | - | - |
| 370: Outside Services | 19,471,315 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,502,897 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,178,645 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 299,039 | - | - | - | - | - | - |
| 914: Pension and Benefits | 807,406 | - | - | - | - | - | - |
| 915: Injuries and Damages | 636,134 | - | - | - | - | - | - |
| 921: Stores Load | 353,887 | - | - | - | - | - | - |
| 922: Minor Material Load | 195,720 | - | - | - | - | - | - |
| 925: E&S Loads | 2,357,132 | - | - | - | - | - | - |
| 926: A&G Loads | 1,241,839 | - | - | - | - | - | - |
| 928: AFUDC Debt | 256,201 | - | - | - | - | - | - |
| 929: AFUDC Equity | 290,192 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (30,845,104) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (7,249,345) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60001715 Storm Funding Project Co01

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,136,949 |
| 120: Overtime-General | - | - | - | 2,608,093 |
| 350: Material Issues-Major | - | - | - | 3,759,000 |
| 370: Outside Services | - | - | - | 19,471,315 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 2,502,897 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 2,178,645 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 299,039 |
| 914: Pension and Benefits | - | - | - | 807,406 |
| 915: Injuries and Damages | - | - | - | 636,134 |
| 921: Stores Load | - | - | - | 353,887 |
| 922: Minor Material Load | - | - | - | 195,720 |
| 925: E&S Loads | - | - | - | 2,357,132 |
| 926: A&G Loads | - | - | - | 1,241,839 |
| 928: AFUDC Debt | - | - | - | 256,201 |
| 929: AFUDC Equity | - | - | - | 290,192 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (30,845,104) |
| 825: Closing Cost of Removal | - | - | - | (7,249,345) |
| Project Net | - | - | - | - |

## Project No: 60001715 Storm Funding Project Co01

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,136,949 | - | - | - | 1,136,949 | - | - | - |
| 120: Overtime-General | 2,608,093 | - | - | - | 2,608,093 | - | - | - |
| 350: Material Issues-Major | 3,759,000 | - | - | - | 3,759,000 | - | - | - |
| 370: Outside Services | 19,471,315 | - | - | - | 19,471,315 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 2,502,897 | - | - | - | 2,502,897 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,178,645 | - | - | - | 2,178,645 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 299,039 | - | - | - | 299,039 | - | - | - |
| 914: Pension and Benefits | 807,406 | - | - | - | 807,406 | - | - | - |
| 915: Injuries and Damages | 636,134 | - | - | - | 636,134 | - | - | - |
| 921: Stores Load | 353,887 | - | - | - | 353,887 | - | - | - |
| 922: Minor Material Load | 195,720 | - | - | - | 195,720 | - | - | - |
| 925: E&S Loads | 2,357,132 | - | - | - | 2,357,132 | - | - | - |
| 926: A&G Loads | 1,241,839 | - | - | - | 1,241,839 | - | - | - |
| 928: AFUDC Debt | 256,201 | - | - | - | 256,201 | - | - | - |
| 929: AFUDC Equity | 290,192 | - | - | - | 290,192 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (30,845,104) | - | - | - | (30,845,104) | - | - | - |
| 825: Closing Cost of Removal | (7,249,345) | - | - | - | (7,249,345) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60001715 Storm Funding Project Co01

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,136,949 |
| 120: Overtime-General | - | - | - | - | - | - | 2,608,093 |
| 350: Material Issues-Major | - | - | - | - | - | - | 3,759,000 |
| 370: Outside Services | - | - | - | - | - | - | 19,471,315 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 2,502,897 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 2,178,645 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 299,039 |
| 914: Pension and Benefits | - | - | - | - | - | - | 807,406 |
| 915: Injuries and Damages | - | - | - | - | - | - | 636,134 |
| 921: Stores Load | - | - | - | - | - | - | 353,887 |
| 922: Minor Material Load | - | - | - | - | - | - | 195,720 |
| 925: E&S Loads | - | - | - | - | - | - | 2,357,132 |
| 926: A&G Loads | - | - | - | - | - | - | 1,241,839 |
| 928: AFUDC Debt | - | - | - | - | - | - | 256,201 |
| 929: AFUDC Equity | - | - | - | - | - | - | 290,192 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (30,845,104) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (7,249,345) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60001727 Northern OSMOSE Pole Rplcmnts 27-28

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 600 | Electric System |

**Project Information**

| | | | |
|---|---|---|---|
| County % | Santa Fe | 100% | |

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2028

Description

Replace deteriorated and failed wood distribution poles identified through 2024 OSMOSE inspections within PNM High Fire Areas in the Santa Fe, Las Vegas, and Clayton areas. The project will also replace aging or underperforming equipment and upgrade facilities to current PNM High Fire Area standards. Approximately, 30 poles can be replaced for 2027 as most of the budget is for engineering and 277 poles can be replaced in 2028.

## Project No:

**60001727 Northern OSMOSE Pole Rplcmnts 27-28**

| | |
|---|---|
| Project Need Justification | OSMOSE inspections have identified deteriorated and failed wood distribution poles requiring replacement within PNM's High Fire Areas. Replacing these poles and associated aging equipment is necessary to address identified asset conditions, reduce the risk of equipment failure and related fire risk, and maintain safe and reliable electric service. |

**Project No:** **60001727** **Northern OSMOSE Pole Rplcmnts 27-28**

| | |
|---|---|
| Project Alternatives | Continue operating and maintaining the existing poles until failure or defer replacement to future years. These alternatives are not recommended because the affected poles have known deterioration, and delaying replacement increases reliability, safety, and wildfire risks. |

**Project No:** **60001727** **Northern OSMOSE Pole Rplcmnts 27-28**

| | |
|---|---|
| Project Estimate Approach | The estimate was developed based on the scope identified from 2024 OSMOSE pole testing within PNM High Fire Areas. Costs include replacement of identified poles and aging equipment, materials, construction, and applicable project support costs. |

**Project No:** **60001727 Northern OSMOSE Pole Rplcmnts 27-28**

| | |
|---|---|
| Customer Benefit | Changing out these poles increases reliability because it allows for us to retrofit the poles and change them out if they are close to end of useful life, reducing the potential for outages, equipment damage, and wildfire ignition in High Fire Areas. |

## Project No: 60001727 Northern OSMOSE Pole Rplcmnts 27-28

| | |
|---|---|
| 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:** **60001727** **Northern OSMOSE Pole Rplcmnts 27-28**

General Services

Reliability & Resiliency

Replacement of poles near end of useful life reduce the risk of outages due to failing poles and hardware. Leading to SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) reductions.

Safety & Security

All new poles will be designed and installed to PNM new wildfire standards. This also provides added safety distance for linemen working on these poles. In addition, vegetation management has increased its clearances from vegetation to our facilities.

Technology Advancements

## Project No: 60001727 Northern OSMOSE Pole Rplcmnts 27-28

| | 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: 60001727 Northern OSMOSE Pole Rplcmnts 27-28

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 88,009 | 88,009 | 88,009 | 88,009 | 88,009 | 88,009 |
| 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 | - | 6,161 | 6,161 | 6,161 | 6,161 | 6,161 | 6,161 |
| 926: A&G Loads | - | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 |
| 928: AFUDC Debt | - | 101 | 303 | 506 | 711 | 916 | 1,123 |
| 929: AFUDC Equity | - | 136 | 410 | 685 | 962 | 1,239 | 1,519 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 97,707 | 98,183 | 98,661 | 99,142 | 99,626 | 100,111 |

## Project No: 60001727 Northern OSMOSE Pole Rplcmnts 27-28

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 88,009 | 88,009 | 88,009 | 792,081 |
| 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 | 6,161 | 6,161 | 6,161 | 55,446 |
| 926: A&G Loads | 3,300 | 3,300 | 3,300 | 29,703 |
| 928: AFUDC Debt | 1,330 | 1,539 | 1,749 | 8,278 |
| 929: AFUDC Equity | 1,800 | 2,082 | 2,366 | 11,198 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 100,600 | 101,091 | 101,584 | 896,706 |

## Project No: 60001727 Northern OSMOSE Pole Rplcmnts 27-28

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 792,081 | 88,009 | 88,009 | 88,009 | 1,056,108 | 634,950 | 634,950 | 634,950 |
| 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 | 55,446 | 6,161 | 6,161 | 6,161 | 73,928 | 44,447 | 44,447 | 44,447 |
| 926: A&G Loads | 29,703 | 3,300 | 3,300 | 3,300 | 39,604 | 22,287 | 22,287 | 22,287 |
| 928: AFUDC Debt | 8,278 | 1,960 | 2,172 | 2,385 | 14,793 | 3,161 | 4,602 | 6,052 |
| 929: AFUDC Equity | 11,198 | 2,651 | 2,938 | 3,226 | 20,013 | 4,987 | 7,261 | 9,548 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (966,381) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | (71,095) |
| Project Net | 896,706 | 102,080 | 102,579 | 103,081 | 1,204,446 | 709,831 | 713,546 | (320,194) |

## Project No: 60001727 Northern OSMOSE Pole Rplcmnts 27-28

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 634,950 | 634,950 | 634,950 | 634,950 | 634,950 | 634,950 | 6,770,658 |
| 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 | 44,447 | 44,447 | 44,447 | 44,447 | 44,447 | 44,447 | 473,946 |
| 926: A&G Loads | 22,287 | 22,287 | 22,287 | 22,287 | 22,287 | 22,287 | 240,185 |
| 928: AFUDC Debt | 5,401 | 4,751 | 4,104 | 3,465 | 2,837 | 2,223 | 51,389 |
| 929: AFUDC Equity | 8,521 | 7,495 | 6,475 | 5,467 | 4,476 | 3,507 | 77,750 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (964,620) | (961,141) | (956,028) | (949,395) | (941,392) | (932,213) | (6,671,170) |
| 825: Closing Cost of Removal | (70,994) | (70,811) | (70,547) | (70,208) | (69,800) | (69,332) | (492,786) |
| Project Net | (320,009) | (318,023) | (314,312) | (308,987) | (302,195) | (294,132) | 449,971 |

## Project No: 60001746 Dist Struc Replace and Upgrade 2025

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

This program replaces distribution pole structures within PNM's Metro, Northern and Southern electric service areas. The pole structures are primary single-phase and three-phase distribution structures with various framing configurations — tangent (straight-line), small angle, deadend (line-termination), buckarm corner, triangular, take-off and vertical structures.

**Project No:** **60001746** **Dist Struc Replace and Upgrade 2025**

Project Need Justification

The pole structures identified for replacement have been determined to be failing, in poor condition, and/or not to current pole height standards on main distribution system lines. Proactively maintaining and addressing these pole structures reduces risk and supports distribution grid reliability, resiliency, and safety for PNM customers.

**Project No:** **60001746** **Dist Struc Replace and Upgrade 2025**

Project Alternatives

1. Do nothing. The pole structures will continue to be in failing or poor condition and not to current pole height standards and continue to pose a risk to distribution grid reliability, resiliency, and safety for PNM customers.
2. Replace pole structures on an as needed basis. This method has long been utilized. PNM has since improved maintenance practices with the use of geographic information system (GIS) data and analysis, visual inspection data, pole installation data, and/or pole testing data that enable proactive replacement of pole structures throughout the entire distribution system. Data-driven preventative maintenance and replacement significantly improves reliability and resiliency compared to past corrective maintenance procedures.

## Project No:

**60001746** **Dist Struc Replace and Upgrade 2025**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data from similar projects using engineering and labor resources. The major cost drivers include equipment, services, and engineering design as applicable. Similar projects include the design, installation, and replacement of single and three phase pole structures in conditions with non-energized or energized overhead lines. |

**Project No:** **60001746** **Dist Struc Replace and Upgrade 2025**

| | |
|---|---|
| Customer Benefit | Customers benefit from increased integrity of PNM's overhead distribution system which leads to greater reliability, resiliency, and public and personnel safety. |

## Project No: 60001746 Dist Struc Replace and Upgrade 2025

| | |
|---|---|
| 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:** **60001746** **Dist Struc Replace and Upgrade 2025**

General Services

Reliability & Resiliency

These pole structure replacements will help support the distribution system with reliability and resiliency in the service areas. The replacements will help with improved reliability indexes such as system average interruption duration index (SAIDI) which defines the average interruption duration per customer served per year.

Safety & Security

Technology Advancements

## Project No: 60001746 Dist Struc Replace and Upgrade 2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 24,512 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - | 74,512 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 497 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 90,497 |
| 370: Outside Services | 231,065 | 108,370 | 109,626 | 53,828 | 32,178 | 26,697 | 4,640 | 566,405 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 112 | - | - | - | - | - | - | 112 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,852 | 762 | 762 | 762 | 762 | 762 | - | 5,662 |
| 914: Pension and Benefits | 5,322 | 1,861 | 1,861 | 1,861 | 1,861 | 1,861 | - | 14,627 |
| 915: Injuries and Damages | 2,205 | 1,980 | 1,980 | 1,980 | 1,980 | 1,980 | - | 12,105 |
| 921: Stores Load | 722 | 3,418 | 3,418 | 3,418 | 3,418 | 3,418 | 3,418 | 21,231 |
| 922: Minor Material Load | 88 | - | - | - | - | - | - | 88 |
| 925: E&S Loads | 19,538 | 8,968 | 9,050 | 5,423 | 4,016 | 3,660 | 1,277 | 51,931 |
| 926: A&G Loads | 12,947 | 6,935 | 7,001 | 4,099 | 2,973 | 2,688 | 1,021 | 37,664 |
| 928: AFUDC Debt | 9,297 | 718 | 1,084 | 1,382 | 1,583 | 1,749 | 1,306 | 17,119 |
| 929: AFUDC Equity | 6,540 | 765 | 1,156 | 1,473 | 1,687 | 1,864 | 1,391 | 14,878 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (226,052) | (288,441) | (514,493) |
| 825: Closing Cost of Removal | - | - | - | - | - | (41,097) | (50,847) | (91,944) |
| Project Net | 314,697 | 158,779 | 160,938 | 99,227 | 75,458 | (197,469) | (311,235) | 300,395 |

## Project No: 60001746 Dist Struc Replace and Upgrade 2025

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 74,512 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 90,497 | - | - | - | - | - | - |
| 370: Outside Services | 566,405 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 112 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,662 | - | - | - | - | - | - |
| 914: Pension and Benefits | 14,627 | - | - | - | - | - | - |
| 915: Injuries and Damages | 12,105 | - | - | - | - | - | - |
| 921: Stores Load | 21,231 | - | - | - | - | - | - |
| 922: Minor Material Load | 88 | - | - | - | - | - | - |
| 925: E&S Loads | 51,931 | - | - | - | - | - | - |
| 926: A&G Loads | 37,664 | - | - | - | - | - | - |
| 928: AFUDC Debt | 17,119 | 568 | - | - | - | - | - |
| 929: AFUDC Equity | 14,878 | 769 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (514,493) | (256,714) | - | - | - | - | - |
| 825: Closing Cost of Removal | (91,944) | (45,018) | - | - | - | - | - |
| Project Net | 300,395 | (300,395) | - | - | - | - | - |

## Project No: 60001746 Dist Struc Replace and Upgrade 2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 74,512 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 90,497 |
| 370: Outside Services | - | - | - | 566,405 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 112 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 5,662 |
| 914: Pension and Benefits | - | - | - | 14,627 |
| 915: Injuries and Damages | - | - | - | 12,105 |
| 921: Stores Load | - | - | - | 21,231 |
| 922: Minor Material Load | - | - | - | 88 |
| 925: E&S Loads | - | - | - | 51,931 |
| 926: A&G Loads | - | - | - | 37,664 |
| 928: AFUDC Debt | - | - | - | 17,688 |
| 929: AFUDC Equity | - | - | - | 15,646 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (771,207) |
| 825: Closing Cost of Removal | - | - | - | (136,962) |
| Project Net | - | - | - | - |

## Project No: 60001746 Dist Struc Replace and Upgrade 2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 74,512 | - | - | - | 74,512 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 90,497 | - | - | - | 90,497 | - | - | - |
| 370: Outside Services | 566,405 | - | - | - | 566,405 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 112 | - | - | - | 112 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,662 | - | - | - | 5,662 | - | - | - |
| 914: Pension and Benefits | 14,627 | - | - | - | 14,627 | - | - | - |
| 915: Injuries and Damages | 12,105 | - | - | - | 12,105 | - | - | - |
| 921: Stores Load | 21,231 | - | - | - | 21,231 | - | - | - |
| 922: Minor Material Load | 88 | - | - | - | 88 | - | - | - |
| 925: E&S Loads | 51,931 | - | - | - | 51,931 | - | - | - |
| 926: A&G Loads | 37,664 | - | - | - | 37,664 | - | - | - |
| 928: AFUDC Debt | 17,688 | - | - | - | 17,688 | - | - | - |
| 929: AFUDC Equity | 15,646 | - | - | - | 15,646 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (771,207) | - | - | - | (771,207) | - | - | - |
| 825: Closing Cost of Removal | (136,962) | - | - | - | (136,962) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60001746 Dist Struc Replace and Upgrade 2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 74,512 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 90,497 |
| 370: Outside Services | - | - | - | - | - | - | 566,405 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 112 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 5,662 |
| 914: Pension and Benefits | - | - | - | - | - | - | 14,627 |
| 915: Injuries and Damages | - | - | - | - | - | - | 12,105 |
| 921: Stores Load | - | - | - | - | - | - | 21,231 |
| 922: Minor Material Load | - | - | - | - | - | - | 88 |
| 925: E&S Loads | - | - | - | - | - | - | 51,931 |
| 926: A&G Loads | - | - | - | - | - | - | 37,664 |
| 928: AFUDC Debt | - | - | - | - | - | - | 17,688 |
| 929: AFUDC Equity | - | - | - | - | - | - | 15,646 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (771,207) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (136,962) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

Description

This program replaces distribution pole structures within PNM's Metro, Northern and Southern electric service areas. The pole structures are primary single-phase and three-phase distribution structures with various framing configurations — tangent (straight-line), small angle, deadend (line-termination), buckarm corner, triangular, take-off and vertical structures.

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

| | |
|---|---|
| Project Need Justification | The pole structures identified for replacement have been determined to be failing, in poor condition, and/or not to current pole height standards on main distribution system lines. Proactively maintaining and addressing these pole structures reduces risk and supports distribution grid reliability, resiliency, and safety for PNM customers. |

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

Project Alternatives

1. Do nothing. The pole structures will continue to be in failing or poor condition and not to current pole height standards and continue to pose a risk to distribution grid reliability, resiliency, and safety for PNM customers.
2. Replace pole structures on an as needed basis. This method has long been utilized. PNM has since improved maintenance practices with the use of geographic information system (GIS) data and analysis, visual inspection data, pole installation data, and/or pole testing data that enable proactive replacement of pole structures throughout the entire distribution system. Data-driven preventative maintenance and replacement significantly improves reliability and resiliency compared to past corrective maintenance procedures.

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data from similar projects using engineering and labor resources. The major cost drivers include equipment, services, and engineering design as applicable. Similar projects include the design, installation, and replacement of single and three phase pole structures in conditions with non-energized or energized overhead lines. |

**Project No:** **60001747** **Dist Struc Replace and Upgrade 2026**

| | |
|---|---|
| Customer Benefit | Customers benefit from increased integrity of PNM's overhead distribution system which leads to greater reliability, resiliency, and public and personnel safety. |

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

| | |
|---|---|
| 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:** **60001747** **Dist Struc Replace and Upgrade 2026**

General Services

Reliability & Resiliency

These pole structure replacements will help support the distribution system with reliability and resiliency in the service areas. The replacements will help with improved reliability indexes such as system average interruption duration index (SAIDI) which defines the average interruption duration per customer served per year.

Safety & Security

Technology Advancements

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

| | 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:** **60001747** **Dist Struc Replace and Upgrade 2026**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 14 | 73 | 147 | 147 | 147 | 147 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 2,672 | 29,856 | 29,368 | 29,458 | 29,997 | 29,999 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 69 | 367 | 735 | 735 | 735 | 735 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 6 | 12 | 12 | 12 | 12 |
| 914: Pension and Benefits | - | 3 | 14 | 28 | 28 | 28 | 28 |
| 915: Injuries and Damages | - | 3 | 14 | 28 | 28 | 28 | 28 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 193 | 2,123 | 2,122 | 2,129 | 2,166 | 2,166 |
| 926: A&G Loads | - | 103 | 1,136 | 1,134 | 1,138 | 1,158 | 1,158 |
| 928: AFUDC Debt | - | 3 | 41 | 111 | 181 | 252 | 324 |
| 929: AFUDC Equity | - | 4 | 56 | 150 | 245 | 341 | 439 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 3,066 | 33,686 | 33,835 | 34,100 | 34,865 | 35,037 |

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 147 | 147 | 74 | 1,043 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 29,354 | 29,874 | 29,654 | 240,232 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 735 | 735 | 371 | 5,217 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 12 | 6 | 86 |
| 914: Pension and Benefits | 28 | 28 | 14 | 198 |
| 915: Injuries and Damages | 28 | 28 | 14 | 198 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 2,121 | 2,158 | 2,109 | 17,288 |
| 926: A&G Loads | 1,134 | 1,153 | 1,129 | 9,243 |
| 928: AFUDC Debt | 396 | 468 | 541 | 2,318 |
| 929: AFUDC Equity | 536 | 634 | 732 | 3,136 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 34,492 | 35,237 | 34,644 | 278,960 |

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,043 | 73 | 14 | 14 | 1,144 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 240,232 | 24,997 | - | - | 265,229 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 5,217 | 367 | 69 | 69 | 5,722 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 86 | 6 | 1 | 1 | 94 | - | - | - |
| 914: Pension and Benefits | 198 | 14 | 3 | 3 | 217 | - | - | - |
| 915: Injuries and Damages | 198 | 14 | 3 | 3 | 217 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 17,288 | 1,783 | 6 | 6 | 19,084 | - | - | - |
| 926: A&G Loads | 9,243 | 954 | 3 | 3 | 10,204 | - | - | - |
| 928: AFUDC Debt | 2,318 | 607 | 640 | 380 | 3,945 | 172 | - | - |
| 929: AFUDC Equity | 3,136 | 822 | 866 | 514 | 5,337 | 272 | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (118,520) | (92,631) | (211,151) | (79,352) | - | - |
| 825: Closing Cost of Removal | - | - | (8,662) | (6,735) | (15,397) | (5,737) | - | - |
| Project Net | 278,960 | 29,637 | (125,578) | (98,374) | 84,645 | (84,645) | - | - |

## Project No: 60001747 Dist Struc Replace and Upgrade 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,144 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 265,229 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 5,722 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 |
| 914: Pension and Benefits | - | - | - | - | - | - | 217 |
| 915: Injuries and Damages | - | - | - | - | - | - | 217 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 19,084 |
| 926: A&G Loads | - | - | - | - | - | - | 10,204 |
| 928: AFUDC Debt | - | - | - | - | - | - | 4,117 |
| 929: AFUDC Equity | - | - | - | - | - | - | 5,609 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (290,503) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (21,134) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 60001748 Dist Struc Replace and Upgrade 2027

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 600 | Electric System |

**Project Information**

| | |
|---|---|
| Estimated Start Date | 1/1/2027 |
| Estimated Completion Date | 12/31/2029 |

| County % | |
|---|---|
| Bernalillo | 50% |
| Santa Fe | 20% |
| Sandoval | 15% |
| Valencia | 15% |

Description

This program replaces distribution pole structures within PNM's Metro, Northern and Southern electric service areas. The pole structures are primary single-phase and three-phase distribution structures with various framing configurations — tangent (straight-line), small angle, deadend (line-termination), buckarm corner, triangular, take-off and vertical structures.

## Project No: 60001748 Dist Struc Replace and Upgrade 2027

| | |
|---|---|
| Project Need Justification | The pole structures identified for replacement have been determined to be failing, in poor condition, and/or not to current pole height standards on main distribution system lines. Proactively maintaining and addressing these pole structures reduces risk and supports distribution grid reliability, resiliency, and safety for PNM customers. |

**Project No:** **60001748** **Dist Struc Replace and Upgrade 2027**

Project Alternatives

1. Do nothing. The pole structures will continue to be in failing or poor condition and not to current pole height standards and continue to pose a risk to distribution grid reliability, resiliency, and safety for PNM customers.
2. Replace pole structures on an as needed basis. This method has long been utilized. PNM has since improved maintenance practices with the use of geographic information system (GIS) data and analysis, visual inspection data, pole installation data, and/or pole testing data that enable proactive replacement of pole structures throughout the entire distribution system. Data-driven preventative maintenance and replacement significantly improves reliability and resiliency compared to past corrective maintenance procedures.

**Project No:** **60001748** **Dist Struc Replace and Upgrade 2027**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data from similar projects using engineering and labor resources. The major cost drivers include equipment, services, and engineering design as applicable. Similar projects include the design, installation, and replacement of single and three phase pole structures in conditions with non-energized or energized overhead lines. |

**Project No:** **60001748** **Dist Struc Replace and Upgrade 2027**

| | |
|---|---|
| Customer Benefit | Customers benefit from increased integrity of PNM's overhead distribution system which leads to greater reliability, resiliency, and public and personnel safety. |

## Project No: 60001748 Dist Struc Replace and Upgrade 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:** **60001748** **Dist Struc Replace and Upgrade 2027**

General Services

Reliability & Resiliency

These pole structure replacements will help support the distribution system with reliability and resiliency in the service areas. The replacements will help with improved reliability indexes such as system average interruption duration index (SAIDI) which defines the average interruption duration per customer served per year.

Safety & Security

Technology Advancements

## Project No: 60001748 Dist Struc Replace and Upgrade 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: 60001748 Dist Struc Replace and Upgrade 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 14 | 74 | 148 | 148 | 148 | 148 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 2,695 | 14,372 | 28,745 | 28,745 | 28,745 | 28,745 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 69 | 370 | 741 | 741 | 741 | 741 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 6 | 12 | 12 | 12 | 12 |
| 914: Pension and Benefits | - | 3 | 14 | 28 | 28 | 28 | 28 |
| 915: Injuries and Damages | - | 3 | 14 | 28 | 28 | 28 | 28 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 195 | 1,040 | 2,079 | 2,079 | 2,079 | 2,079 |
| 926: A&G Loads | - | 104 | 556 | 1,111 | 1,111 | 1,111 | 1,111 |
| 928: AFUDC Debt | - | 3 | 23 | 75 | 143 | 212 | 281 |
| 929: AFUDC Equity | - | 4 | 32 | 101 | 194 | 287 | 380 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 3,091 | 16,500 | 33,068 | 33,229 | 33,391 | 33,554 |

## Project No: 60001748 Dist Struc Replace and Upgrade 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 148 | 148 | 75 | 1,051 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 28,745 | 28,745 | 14,532 | 204,069 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 741 | 741 | 375 | 5,260 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 12 | 6 | 87 |
| 914: Pension and Benefits | 28 | 28 | 14 | 200 |
| 915: Injuries and Damages | 28 | 28 | 14 | 199 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 2,079 | 2,079 | 1,051 | 14,761 |
| 926: A&G Loads | 1,111 | 1,111 | 562 | 7,889 |
| 928: AFUDC Debt | 351 | 420 | 474 | 1,982 |
| 929: AFUDC Equity | 474 | 569 | 641 | 2,682 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 33,718 | 33,882 | 17,745 | 238,179 |

## Project No: 60001748 Dist Struc Replace and Upgrade 2027

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,051 | 74 | 14 | 14 | 1,153 | - | 5,387 | 5,387 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 96,962 | 96,962 |
| 370: Outside Services | 204,069 | 14,372 | 2,695 | 2,695 | 223,831 | - | 251,382 | 251,382 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 5,260 | 370 | 69 | 69 | 5,768 | - | 5,387 | 5,387 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 87 | 6 | 1 | 1 | 95 | - | 445 | 445 |
| 914: Pension and Benefits | 200 | 14 | 3 | 3 | 219 | - | 1,023 | 1,023 |
| 915: Injuries and Damages | 199 | 14 | 3 | 3 | 219 | - | 1,021 | 1,021 |
| 921: Stores Load | - | - | - | - | - | - | 16,259 | 16,259 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 14,761 | 1,040 | 195 | 195 | 16,190 | - | 25,313 | 25,313 |
| 926: A&G Loads | 7,889 | 556 | 104 | 104 | 8,653 | - | 12,605 | 12,605 |
| 928: AFUDC Debt | 1,982 | 511 | 534 | 543 | 3,569 | 538 | 963 | 1,812 |
| 929: AFUDC Equity | 2,682 | 691 | 722 | 734 | 4,828 | 849 | 1,519 | 2,858 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 238,179 | 17,647 | 4,339 | 4,360 | 264,525 | 1,387 | 418,265 | 420,454 |

## Project No: 60001748 Dist Struc Replace and Upgrade 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,529 | 8,529 | 8,529 | 8,529 | 8,529 | 3,142 | 57,714 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 153,523 | 153,523 | 153,523 | 153,523 | 153,523 | 56,561 | 1,018,100 |
| 370: Outside Services | 398,022 | 398,022 | 398,022 | 398,022 | 398,022 | 146,640 | 2,863,345 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 8,529 | 8,529 | 8,529 | 8,529 | 8,529 | 3,142 | 62,329 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 705 | 705 | 705 | 705 | 705 | 260 | 4,767 |
| 914: Pension and Benefits | 1,620 | 1,620 | 1,620 | 1,620 | 1,620 | 597 | 10,960 |
| 915: Injuries and Damages | 1,617 | 1,617 | 1,617 | 1,617 | 1,617 | 596 | 10,943 |
| 921: Stores Load | 25,743 | 25,743 | 25,743 | 25,743 | 25,743 | 9,484 | 170,715 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 40,078 | 40,078 | 40,078 | 40,078 | 40,078 | 14,766 | 281,971 |
| 926: A&G Loads | 19,958 | 19,958 | 19,958 | 19,958 | 19,958 | 7,353 | 141,006 |
| 928: AFUDC Debt | 2,911 | 3,688 | 4,300 | 5,011 | 5,177 | 4,886 | 32,855 |
| 929: AFUDC Equity | 4,593 | 5,819 | 6,785 | 7,906 | 8,167 | 7,709 | 51,034 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (263,718) | (341,065) | (297,509) | (549,397) | (565,396) | (567,630) | (2,584,715) |
| 825: Closing Cost of Removal | (19,555) | (25,287) | (22,041) | (40,653) | (41,793) | (41,808) | (191,138) |
| Project Net | 382,555 | 301,477 | 349,859 | 81,190 | 64,477 | (354,303) | 1,929,886 |

## Project No: 60001826 State Wide Private Light Conversion

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

Description

Complete a statewide conversion of customer-owned private lighting to LED, excluding privately owned yard lights. Work includes troubleshooting, replacement of HID lamps, photocells, arms and LED heads, conductor repair and replacement, electrical terminations, traffic control, permitting, and other construction activities required to complete the conversions.

## Project No: 60001826 State Wide Private Light Conversion

Project Need Justification

Existing private lighting equipment requires conversion and repair to maintain dependable operation and complete PNM's statewide private light conversion program. The project addresses aging lighting components, failed equipment, conductor issues, and associated field conditions while transitioning eligible customer-owned private lights to LED technology.

**Project No:** **60001826** **State Wide Private Light Conversion**

| | |
|---|---|
| Project Alternatives | No alternatives are identified in the project authorization. The proposed work is required to complete the planned statewide private light conversions and associated repairs. |

**Project No:** **60001826** **State Wide Private Light Conversion**

| | |
|---|---|
| Project Estimate Approach | The estimate was developed from the anticipated 2026 statewide conversion and repair workload and includes materials, engineering, construction, and applicable indirect costs. |

**Project No:** **60001826** **State Wide Private Light Conversion**

| | |
|---|---|
| Customer Benefit | Provides customers with more reliable and efficient private lighting by replacing aging HID lighting and failed components with LED equipment while correcting associated electrical issues identified during conversion. |

## Project No: 60001826 State Wide Private Light Conversion

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | Requirement for LED streetlight conversions across the state. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60001826** **State Wide Private Light Conversion**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 60001826 State Wide Private Light Conversion

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 14,413 | - | - | - | - | - | - | 14,413 |
| 120: Overtime-General | 2,505 | - | - | - | - | - | - | 2,505 |
| 350: Material Issues-Major | 2,966 | - | - | - | - | - | - | 2,966 |
| 370: Outside Services | 27,956 | - | - | - | - | - | - | 27,956 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | (1,500) | (1,500) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 994 | - | - | - | - | - | - | 994 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,289 | - | - | - | - | - | - | 1,289 |
| 914: Pension and Benefits | 3,096 | - | - | - | - | - | - | 3,096 |
| 915: Injuries and Damages | 3,350 | - | - | - | - | - | - | 3,350 |
| 921: Stores Load | 169 | - | - | - | - | - | - | 169 |
| 922: Minor Material Load | 430 | - | - | - | - | - | - | 430 |
| 925: E&S Loads | 3,647 | - | - | - | - | - | (98) | 3,550 |
| 926: A&G Loads | 2,761 | - | - | - | - | - | (78) | 2,683 |
| 928: AFUDC Debt | 88 | 157 | - | - | - | - | (2) | 243 |
| 929: AFUDC Equity | 67 | 168 | - | - | - | - | (2) | 232 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (64,054) | - | - | - | - | - | (64,054) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 63,729 | (63,729) | - | - | - | - | (1,679) | (1,679) |

## Project No: 60001826 State Wide Private Light Conversion

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 14,413 | 10,000 | 10,000 | 10,000 | 10,045 | 10,000 | 10,000 |
| 120: Overtime-General | 2,505 | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,966 | - | - | - | - | - | - |
| 370: Outside Services | 27,956 | 123,255 | 123,255 | 123,255 | 123,255 | 143,255 | 130,255 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | (1,500) | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 994 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,289 | 826 | 826 | 826 | 830 | 826 | 826 |
| 914: Pension and Benefits | 3,096 | 1,899 | 1,899 | 1,899 | 1,908 | 1,899 | 1,899 |
| 915: Injuries and Damages | 3,350 | 1,896 | 1,896 | 1,896 | 1,905 | 1,896 | 1,896 |
| 921: Stores Load | 169 | - | - | - | - | - | - |
| 922: Minor Material Load | 430 | - | - | - | - | - | - |
| 925: E&S Loads | 3,550 | 9,651 | 9,651 | 9,651 | 9,656 | 11,051 | 10,141 |
| 926: A&G Loads | 2,683 | 4,997 | 4,997 | 4,997 | 4,999 | 5,747 | 5,260 |
| 928: AFUDC Debt | 243 | 154 | 471 | 789 | 1,109 | 1,453 | 1,807 |
| 929: AFUDC Equity | 232 | 209 | 637 | 1,067 | 1,500 | 1,966 | 2,445 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (64,054) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | (1,679) | 152,888 | 153,632 | 154,381 | 155,205 | 178,093 | 164,529 |

## Project No: 60001826 State Wide Private Light Conversion

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 10,000 | 10,000 | 10,000 | 104,458 |
| 120: Overtime-General | - | - | - | 2,505 |
| 350: Material Issues-Major | - | - | - | 2,966 |
| 370: Outside Services | 143,255 | 123,255 | 130,555 | 1,191,551 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | (1,500) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 994 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 8,727 |
| 914: Pension and Benefits | 1,899 | 1,899 | 1,899 | 20,196 |
| 915: Injuries and Damages | 1,896 | 1,896 | 1,896 | 20,422 |
| 921: Stores Load | - | - | - | 169 |
| 922: Minor Material Load | - | - | - | 430 |
| 925: E&S Loads | 11,051 | 9,651 | 10,162 | 94,217 |
| 926: A&G Loads | 5,747 | 4,997 | 5,271 | 49,694 |
| 928: AFUDC Debt | 2,163 | 2,513 | 2,850 | 13,553 |
| 929: AFUDC Equity | 2,927 | 3,400 | 3,856 | 18,239 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (64,054) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 179,764 | 158,438 | 167,316 | 1,462,566 |

## Project No: 60001826 State Wide Private Light Conversion

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 104,458 | 10,000 | 10,000 | 50,000 | 174,458 | 10,500 | 10,500 | 10,500 |
| 120: Overtime-General | 2,505 | - | - | - | 2,505 | - | - | - |
| 350: Material Issues-Major | 2,966 | - | - | - | 2,966 | - | - | - |
| 370: Outside Services | 1,191,551 | 135,255 | 133,575 | 133,255 | 1,593,636 | 129,418 | 129,418 | 129,418 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | (1,500) | - | - | - | (1,500) | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 994 | - | - | - | 994 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,727 | 826 | 826 | 4,130 | 14,509 | 867 | 867 | 867 |
| 914: Pension and Benefits | 20,196 | 1,899 | 1,899 | 9,495 | 33,489 | 1,994 | 1,994 | 1,994 |
| 915: Injuries and Damages | 20,422 | 1,896 | 1,896 | 9,480 | 33,694 | 1,991 | 1,991 | 1,991 |
| 921: Stores Load | 169 | - | - | - | 169 | - | - | - |
| 922: Minor Material Load | 430 | - | - | - | 430 | - | - | - |
| 925: E&S Loads | 94,217 | 10,491 | 10,374 | 14,445 | 129,527 | 10,134 | 10,134 | 10,134 |
| 926: A&G Loads | 49,694 | 5,447 | 5,384 | 6,872 | 67,398 | 4,911 | 4,911 | 4,911 |
| 928: AFUDC Debt | 13,553 | 3,203 | 3,561 | 3,985 | 24,302 | 162 | 487 | 814 |
| 929: AFUDC Equity | 18,239 | 4,333 | 4,818 | 5,391 | 32,781 | 256 | 769 | 1,285 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (64,054) | - | - | (1,906,094) | (1,970,148) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (139,209) | (139,209) | - | - | - |
| Project Net | 1,462,566 | 173,351 | 172,332 | (1,808,250) | - | 160,233 | 161,071 | 161,914 |

## Project No: 60001826 State Wide Private Light Conversion

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 10,547 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 269,005 |
| 120: Overtime-General | - | - | - | - | - | - | 2,505 |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,966 |
| 370: Outside Services | 129,418 | 150,418 | 136,768 | 150,418 | 129,418 | 137,083 | 2,815,413 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | (1,500) |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 994 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 871 | 867 | 867 | 867 | 867 | 867 | 22,318 |
| 914: Pension and Benefits | 2,003 | 1,994 | 1,994 | 1,994 | 1,994 | 1,994 | 51,443 |
| 915: Injuries and Damages | 2,000 | 1,991 | 1,991 | 1,991 | 1,991 | 1,991 | 51,620 |
| 921: Stores Load | - | - | - | - | - | - | 169 |
| 922: Minor Material Load | - | - | - | - | - | - | 430 |
| 925: E&S Loads | 10,139 | 11,604 | 10,648 | 11,604 | 10,134 | 10,670 | 224,728 |
| 926: A&G Loads | 4,913 | 5,648 | 5,169 | 5,648 | 4,911 | 5,180 | 113,601 |
| 928: AFUDC Debt | 1,143 | 1,497 | 1,439 | 1,399 | 1,356 | 1,392 | 33,992 |
| 929: AFUDC Equity | 1,804 | 2,362 | 2,270 | 2,207 | 2,140 | 2,195 | 48,068 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (193,843) | (185,355) | (182,470) | (139,907) | (215,916) | (2,887,640) |
| 825: Closing Cost of Removal | - | (14,391) | (13,732) | (13,502) | (10,339) | (15,940) | (207,114) |
| Project Net | 162,837 | (21,352) | (27,441) | (9,345) | 13,066 | (59,984) | 540,999 |

## Project No: 60001845 Switchgear Replace and Upgrade 2024

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2026

Description

In an effort to improve safety and system reliability across PNM's territory, PNM is replacing the live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays.

## Project No: 60001845 Switchgear Replace and Upgrade 2024

Project Need Justification

In an effort to improve our safety and system reliability across PNM's territories, PNM is replacing its live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays. These exposed parts have been compromised by vermin on some of PNM's live switchgears, causing lengthy outages. PNM has a monthly report that identifies which equipment has been compromised due to vermin. The identified vermin compromised switchgears will be replaced with dead front padmounted switchgears. Dead front means that the switchgear will not have any exposed energized parts, providing additional employee safety when accessing the switchgear and during the installation process. Dead front is the PNM standard for all new padmounted switchgear installations.

**Project No:** **60001845** **Switchgear Replace and Upgrade 2024**

Project Alternatives

Alternatives for this project:
Alternative 1) Do nothing - Outages are likely to continue as vermin continue to have access to energized switchgear parts.
Alternative 2) Vermin proof the pad of the gear - this does not prevent outages entirely and does not prevent accidental electrical contacts.
Alternative 3) Replace live front gears only on failure to operate - this would lead to unpredictable outages and an increase to System Average Interruption Duration Index (SAIDI) minutes.

**Project No:** **60001845** **Switchgear Replace and Upgrade 2024**

| | |
|---|---|
| Project Estimate Approach | Equipment and installation costs were estimated using experience from previous projects that were similar in nature. |

**Project No:** **60001845** **Switchgear Replace and Upgrade 2024**

| | |
|---|---|
| Customer Benefit | The customer will benefit from reduced outages caused by rodents/animals contacting switchgear equipment. |

## Project No: 60001845 Switchgear Replace and Upgrade 2024

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The Compliance Driver for this project is SAIDI Minutes. Repeated outages from rodents/animals negatively effects SAIDI minutes with extended outages. It Negatively effects customer perception of reliability and system performance. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60001845** **Switchgear Replace and Upgrade 2024**

General Services

Reliability & Resiliency

Upgrading to dead front switchgears increases reliability and resiliency as the switching components and electrical contact points are within an entirely closed structure. Because all the components are enclosed, they are protected from animals/rodents and the environmental elements.

Safety & Security

Upgrading to dead front switchgears increases safety as the switching components and electrical contact points are within an entirely closed structure.

Technology Advancements

## Project No: 60001845 Switchgear Replace and Upgrade 2024

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 74,777 | - | - | - | - | - | - | 74,777 |
| 120: Overtime-General | 24,607 | - | - | - | - | - | - | 24,607 |
| 350: Material Issues-Major | 712,960 | - | - | - | - | - | - | 712,960 |
| 370: Outside Services | 418,265 | - | - | - | - | - | - | 418,265 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 58,283 | - | - | - | - | - | - | 58,283 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,740 | - | - | - | - | - | - | 7,740 |
| 914: Pension and Benefits | 16,112 | - | - | - | - | - | - | 16,112 |
| 915: Injuries and Damages | 19,946 | - | - | - | - | - | - | 19,946 |
| 921: Stores Load | 15,191 | - | - | - | - | - | - | 15,191 |
| 922: Minor Material Load | 38,307 | - | - | - | - | - | - | 38,307 |
| 925: E&S Loads | 90,498 | - | - | - | - | - | - | 90,498 |
| 926: A&G Loads | 72,322 | - | - | - | - | - | - | 72,322 |
| 928: AFUDC Debt | 10,370 | 196 | - | - | - | - | - | 10,566 |
| 929: AFUDC Equity | 7,630 | 209 | - | - | - | - | - | 7,838 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,407,551) | (80,023) | - | - | - | - | - | (1,487,575) |
| 825: Closing Cost of Removal | (32,585) | (47,254) | - | - | - | - | - | (79,839) |
| Project Net | 126,873 | (126,873) | - | - | - | - | - | 0 |

## Project No: 60001845 Switchgear Replace and Upgrade 2024

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 74,777 | - | - | - | - | - | - |
| 120: Overtime-General | 24,607 | - | - | - | - | - | - |
| 350: Material Issues-Major | 712,960 | - | - | - | - | - | - |
| 370: Outside Services | 418,265 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 58,283 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,740 | - | - | - | - | - | - |
| 914: Pension and Benefits | 16,112 | - | - | - | - | - | - |
| 915: Injuries and Damages | 19,946 | - | - | - | - | - | - |
| 921: Stores Load | 15,191 | - | - | - | - | - | - |
| 922: Minor Material Load | 38,307 | - | - | - | - | - | - |
| 925: E&S Loads | 90,498 | - | - | - | - | - | - |
| 926: A&G Loads | 72,322 | - | - | - | - | - | - |
| 928: AFUDC Debt | 10,566 | - | - | - | - | - | - |
| 929: AFUDC Equity | 7,838 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,487,575) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (79,839) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 60001845 Switchgear Replace and Upgrade 2024

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 74,777 |
| 120: Overtime-General | - | - | - | 24,607 |
| 350: Material Issues-Major | - | - | - | 712,960 |
| 370: Outside Services | - | - | - | 418,265 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 58,283 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 7,740 |
| 914: Pension and Benefits | - | - | - | 16,112 |
| 915: Injuries and Damages | - | - | - | 19,946 |
| 921: Stores Load | - | - | - | 15,191 |
| 922: Minor Material Load | - | - | - | 38,307 |
| 925: E&S Loads | - | - | - | 90,498 |
| 926: A&G Loads | - | - | - | 72,322 |
| 928: AFUDC Debt | - | - | - | 10,566 |
| 929: AFUDC Equity | - | - | - | 7,838 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,487,575) |
| 825: Closing Cost of Removal | - | - | - | (79,839) |
| Project Net | - | - | - | 0 |

## Project No: 60001845 Switchgear Replace and Upgrade 2024

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 74,777 | - | - | - | 74,777 | - | - | - |
| 120: Overtime-General | 24,607 | - | - | - | 24,607 | - | - | - |
| 350: Material Issues-Major | 712,960 | - | - | - | 712,960 | - | - | - |
| 370: Outside Services | 418,265 | - | - | - | 418,265 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 58,283 | - | - | - | 58,283 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,740 | - | - | - | 7,740 | - | - | - |
| 914: Pension and Benefits | 16,112 | - | - | - | 16,112 | - | - | - |
| 915: Injuries and Damages | 19,946 | - | - | - | 19,946 | - | - | - |
| 921: Stores Load | 15,191 | - | - | - | 15,191 | - | - | - |
| 922: Minor Material Load | 38,307 | - | - | - | 38,307 | - | - | - |
| 925: E&S Loads | 90,498 | - | - | - | 90,498 | - | - | - |
| 926: A&G Loads | 72,322 | - | - | - | 72,322 | - | - | - |
| 928: AFUDC Debt | 10,566 | - | - | - | 10,566 | - | - | - |
| 929: AFUDC Equity | 7,838 | - | - | - | 7,838 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,487,575) | - | - | - | (1,487,575) | - | - | - |
| 825: Closing Cost of Removal | (79,839) | - | - | - | (79,839) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 60001845 Switchgear Replace and Upgrade 2024

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 74,777 |
| 120: Overtime-General | - | - | - | - | - | - | 24,607 |
| 350: Material Issues-Major | - | - | - | - | - | - | 712,960 |
| 370: Outside Services | - | - | - | - | - | - | 418,265 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 58,283 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 7,740 |
| 914: Pension and Benefits | - | - | - | - | - | - | 16,112 |
| 915: Injuries and Damages | - | - | - | - | - | - | 19,946 |
| 921: Stores Load | - | - | - | - | - | - | 15,191 |
| 922: Minor Material Load | - | - | - | - | - | - | 38,307 |
| 925: E&S Loads | - | - | - | - | - | - | 90,498 |
| 926: A&G Loads | - | - | - | - | - | - | 72,322 |
| 928: AFUDC Debt | - | - | - | - | - | - | 10,566 |
| 929: AFUDC Equity | - | - | - | - | - | - | 7,838 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,487,575) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (79,839) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 60001846 Switchgear Replace and Upgrade 2025

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

In an effort to improve safety and system reliability across PNM's territory, PNM is replacing the live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays.

## Project No: 60001846 Switchgear Replace and Upgrade 2025

Project Need Justification

In an effort to improve our safety and system reliability across PNM's territories, PNM is replacing its live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays. These exposed parts have been compromised by vermin on some of PNM's live switchgears, causing lengthy outages. PNM has a monthly report that identifies which equipment has been compromised due to vermin. The identified vermin compromised switchgears will be replaced with dead front padmounted switchgears. Dead front means that the switchgear will not have any exposed energized parts, providing additional employee safety when accessing the switchgear and during the installation process. Dead front is the PNM standard for all new padmounted switchgear installations.

**Project No:** **60001846** **Switchgear Replace and Upgrade 2025**

Project Alternatives

Alternatives for this project:
Alternative 1) Do nothing - Outages are likely to continue as vermin continue to have access to energized switchgear parts.
Alternative 2) Vermin proof the pad of the gear - this does not prevent outages entirely and does not prevent accidental electrical contacts.
Alternative 3) Replace live front gears only on failure to operate - this would lead to unpredictable outages and an increase to System Average Interruption Duration Index (SAIDI) minutes.

**Project No:** **60001846** **Switchgear Replace and Upgrade 2025**

| | |
|---|---|
| Project Estimate Approach | Equipment and installation costs were estimated using experience from previous projects that were similar in nature. |

**Project No:** **60001846** **Switchgear Replace and Upgrade 2025**

| | |
|---|---|
| Customer Benefit | The customer will benefit from reduced outages caused by rodents/animals contacting switchgear equipment. |

## Project No: 60001846 Switchgear Replace and Upgrade 2025

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The Compliance Driver for this project is SAIDI Minutes. Repeated outages from rodents/animals negatively effects SAIDI minutes with extended outages. It Negatively effects customer perception of reliability and system performance. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60001846** **Switchgear Replace and Upgrade 2025**

General Services

Reliability & Resiliency

Upgrading to dead front switchgears increases reliability and resiliency as the switching components and electrical contact points are within an entirely closed structure. Because all the components are enclosed, they are protected from animals/rodents and the environmental elements.

Safety & Security

Upgrading to dead front switchgears increases safety as the switching components and electrical contact points are within an entirely closed structure.

Technology Advancements

## Project No: 60001846 Switchgear Replace and Upgrade 2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 29,823 | - | - | - | - | - | - | 29,823 |
| 120: Overtime-General | 3,353 | - | - | - | - | - | - | 3,353 |
| 350: Material Issues-Major | 617,157 | - | - | - | - | - | - | 617,157 |
| 370: Outside Services | 162,551 | 20,700 | 16,500 | 12,000 | 12,000 | 10,000 | 1,650 | 235,401 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,513 | - | - | - | - | - | - | 10,513 |
| 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 | 2,566 | - | - | - | - | - | - | 2,566 |
| 914: Pension and Benefits | 5,978 | - | - | - | - | - | - | 5,978 |
| 915: Injuries and Damages | 6,099 | - | - | - | - | - | - | 6,099 |
| 921: Stores Load | 26,118 | - | - | - | - | - | - | 26,118 |
| 922: Minor Material Load | 77,506 | - | - | - | - | - | - | 77,506 |
| 925: E&S Loads | 60,365 | 1,346 | 1,073 | 780 | 780 | 650 | 107 | 65,100 |
| 926: A&G Loads | 50,635 | 1,076 | 858 | 624 | 624 | 520 | 86 | 54,424 |
| 928: AFUDC Debt | 12,622 | 1,636 | 1,692 | 1,737 | 1,777 | 1,814 | 1,838 | 23,117 |
| 929: AFUDC Equity | 9,986 | 1,744 | 1,803 | 1,851 | 1,894 | 1,933 | 1,959 | 21,171 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (338,277) | - | - | - | - | - | - | (338,277) |
| 825: Closing Cost of Removal | (6,389) | - | - | - | - | - | - | (6,389) |
| Project Net | 730,606 | 26,502 | 21,926 | 16,993 | 17,074 | 14,917 | 5,640 | 833,659 |

## Project No: 60001846 Switchgear Replace and Upgrade 2025

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 29,823 | - | - | - | - | - | - |
| 120: Overtime-General | 3,353 | - | - | - | - | - | - |
| 350: Material Issues-Major | 617,157 | - | - | - | - | - | - |
| 370: Outside Services | 235,401 | 650 | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,513 | - | - | - | - | - | - |
| 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 | 2,566 | - | - | - | - | - | - |
| 914: Pension and Benefits | 5,978 | - | - | - | - | - | - |
| 915: Injuries and Damages | 6,099 | - | - | - | - | - | - |
| 921: Stores Load | 26,118 | - | - | - | - | - | - |
| 922: Minor Material Load | 77,506 | - | - | - | - | - | - |
| 925: E&S Loads | 65,100 | 46 | - | - | - | - | - |
| 926: A&G Loads | 54,424 | 24 | - | - | - | - | - |
| 928: AFUDC Debt | 23,117 | 1,669 | - | - | - | - | - |
| 929: AFUDC Equity | 21,171 | 2,259 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (338,277) | (754,731) | - | - | - | - | - |
| 825: Closing Cost of Removal | (6,389) | (83,576) | - | - | - | - | - |
| Project Net | 833,659 | (833,659) | - | - | - | - | - |

## Project No: 60001846 Switchgear Replace and Upgrade 2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 29,823 |
| 120: Overtime-General | - | - | - | 3,353 |
| 350: Material Issues-Major | - | - | - | 617,157 |
| 370: Outside Services | - | - | - | 236,051 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 10,513 |
| 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 | - | - | - | 2,566 |
| 914: Pension and Benefits | - | - | - | 5,978 |
| 915: Injuries and Damages | - | - | - | 6,099 |
| 921: Stores Load | - | - | - | 26,118 |
| 922: Minor Material Load | - | - | - | 77,506 |
| 925: E&S Loads | - | - | - | 65,146 |
| 926: A&G Loads | - | - | - | 54,448 |
| 928: AFUDC Debt | - | - | - | 24,786 |
| 929: AFUDC Equity | - | - | - | 23,430 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,093,008) |
| 825: Closing Cost of Removal | - | - | - | (89,965) |
| Project Net | - | - | - | 0 |

## Project No: 60001846 Switchgear Replace and Upgrade 2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 29,823 | - | - | - | 29,823 | - | - | - |
| 120: Overtime-General | 3,353 | - | - | - | 3,353 | - | - | - |
| 350: Material Issues-Major | 617,157 | - | - | - | 617,157 | - | - | - |
| 370: Outside Services | 236,051 | - | - | - | 236,051 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,513 | - | - | - | 10,513 | - | - | - |
| 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 | 2,566 | - | - | - | 2,566 | - | - | - |
| 914: Pension and Benefits | 5,978 | - | - | - | 5,978 | - | - | - |
| 915: Injuries and Damages | 6,099 | - | - | - | 6,099 | - | - | - |
| 921: Stores Load | 26,118 | - | - | - | 26,118 | - | - | - |
| 922: Minor Material Load | 77,506 | - | - | - | 77,506 | - | - | - |
| 925: E&S Loads | 65,146 | - | - | - | 65,146 | - | - | - |
| 926: A&G Loads | 54,448 | - | - | - | 54,448 | - | - | - |
| 928: AFUDC Debt | 24,786 | - | - | - | 24,786 | - | - | - |
| 929: AFUDC Equity | 23,430 | - | - | - | 23,430 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,093,008) | - | - | - | (1,093,008) | - | - | - |
| 825: Closing Cost of Removal | (89,965) | - | - | - | (89,965) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 60001846 Switchgear Replace and Upgrade 2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 29,823 |
| 120: Overtime-General | - | - | - | - | - | - | 3,353 |
| 350: Material Issues-Major | - | - | - | - | - | - | 617,157 |
| 370: Outside Services | - | - | - | - | - | - | 236,051 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 10,513 |
| 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 | - | - | - | - | - | - | 2,566 |
| 914: Pension and Benefits | - | - | - | - | - | - | 5,978 |
| 915: Injuries and Damages | - | - | - | - | - | - | 6,099 |
| 921: Stores Load | - | - | - | - | - | - | 26,118 |
| 922: Minor Material Load | - | - | - | - | - | - | 77,506 |
| 925: E&S Loads | - | - | - | - | - | - | 65,146 |
| 926: A&G Loads | - | - | - | - | - | - | 54,448 |
| 928: AFUDC Debt | - | - | - | - | - | - | 24,786 |
| 929: AFUDC Equity | - | - | - | - | - | - | 23,430 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,093,008) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (89,965) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 60001847 Switchgear Replace and Upgrade 2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

| County % | | |
|---|---|---|
| | Bernalillo | 50% |
| | Santa Fe | 10% |
| | Sandoval | 30% |
| | Valencia | 10% |

Description

In an effort to improve safety and system reliability across PNM's territory, PNM is replacing the live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays. For 2027, PNM will change out approximately 7-9 switchgears. It will depend on what type of switchgear that we change out that affects the quantity.

## Project No: 60001847 Switchgear Replace and Upgrade 2026

Project Need Justification

In an effort to improve our safety and system reliability across PNM's territories, PNM is replacing its live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays. These exposed parts have been compromised by vermin on some of PNM's live switchgears, causing lengthy outages. PNM has a monthly report that identifies which equipment has been compromised due to vermin. The identified vermin compromised switchgears will be replaced with dead front padmounted switchgears. Dead front means that the switchgear will not have any exposed energized parts, providing additional employee safety when accessing the switchgear and during the installation process. Dead front is the PNM standard for all new padmounted switchgear installations.

**Project No:** **60001847** **Switchgear Replace and Upgrade 2026**

Project Alternatives

Alternatives for this project:
Alternative 1) Do nothing - Outages are likely to continue as vermin continue to have access to energized switchgear parts.
Alternative 2) Vermin proof the pad of the gear - this does not prevent outages entirely and does not prevent accidental electrical contacts.
Alternative 3) Replace live front gears only on failure to operate - this would lead to unpredictable outages and an increase to System Average Interruption Duration Index (SAIDI) minutes.

**Project No:** **60001847** **Switchgear Replace and Upgrade 2026**

| | |
|---|---|
| Project Estimate Approach | Equipment and installation costs were estimated using previous PNM projects that were similar in nature. |

**Project No:** **60001847** **Switchgear Replace and Upgrade 2026**

| | |
|---|---|
| Customer Benefit | The customer will benefit from reduced outages caused by rodents/animals contacting switchgear equipment. |

## Project No: 60001847 Switchgear Replace and Upgrade 2026

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The Compliance Driver for this project is SAIDI Minutes. Repeated outages from rodents/animals negatively effects SAIDI minutes with extended outages. It Negatively effects customer perception of reliability and system performance. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60001847** **Switchgear Replace and Upgrade 2026**

General Services

Reliability & Resiliency

Upgrading to dead front switchgears increases reliability and resiliency as the switching components and electrical contact points are within an entirely closed structure. Because all the components are enclosed, they are protected from animals/rodents and the environmental elements.

Safety & Security

Upgrading to dead front switchgears increases safety as the switching components and electrical contact points are within an entirely closed structure.

Technology Advancements

## Project No: 60001847 Switchgear Replace and Upgrade 2026

| | 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: 60001847 Switchgear Replace and Upgrade 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 1,741 | 9,390 | 18,574 | 72,419 | 114,206 | 105,097 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 45 | 242 | 479 | 479 | 479 | 479 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | - | 125 | 674 | 1,334 | 5,103 | 8,028 | 7,390 |
| 926: A&G Loads | - | 67 | 361 | 714 | 2,734 | 4,301 | 3,959 |
| 928: AFUDC Debt | - | 2 | 15 | 48 | 154 | 365 | 599 |
| 929: AFUDC Equity | - | 3 | 20 | 65 | 208 | 493 | 811 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (2,140) | (8,953) | (65,004) |
| 825: Closing Cost of Removal | - | - | - | - | (160) | (670) | (4,852) |
| Project Net | - | 1,983 | 10,703 | 21,214 | 78,796 | 118,249 | 48,479 |

## Project No: 60001847 Switchgear Replace and Upgrade 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 77,330 | 86,574 | 9,390 | 494,721 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 479 | 479 | 242 | 3,403 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 5,447 | 6,094 | 674 | 34,869 |
| 926: A&G Loads | 2,918 | 3,264 | 361 | 18,680 |
| 928: AFUDC Debt | 668 | 670 | 738 | 3,259 |
| 929: AFUDC Equity | 903 | 906 | 998 | 4,408 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (85,432) | (20,852) | (91,352) | (273,733) |
| 825: Closing Cost of Removal | (6,360) | (1,550) | (6,757) | (20,348) |
| Project Net | (4,048) | 75,586 | (85,705) | 265,257 |

## Project No: 60001847 Switchgear Replace and Upgrade 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 494,721 | 9,287 | 1,741 | 1,741 | 507,490 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,403 | 239 | 45 | 45 | 3,732 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 34,869 | 667 | 125 | 125 | 35,786 | - | - | - |
| 926: A&G Loads | 18,680 | 357 | 67 | 67 | 19,171 | - | - | - |
| 928: AFUDC Debt | 3,259 | 561 | 347 | 325 | 4,490 | - | - | - |
| 929: AFUDC Equity | 4,408 | 758 | 469 | 439 | 6,075 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (273,733) | (103,248) | (12,602) | (147,528) | (537,111) | - | - | - |
| 825: Closing Cost of Removal | (20,348) | (7,603) | (923) | (10,758) | (39,632) | - | - | - |
| Project Net | 265,257 | (98,982) | (10,732) | (155,544) | 0 | - | - | - |

## Project No: 60001847 Switchgear Replace and Upgrade 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 507,490 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 3,732 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | 35,786 |
| 926: A&G Loads | - | - | - | - | - | - | 19,171 |
| 928: AFUDC Debt | - | - | - | - | - | - | 4,490 |
| 929: AFUDC Equity | - | - | - | - | - | - | 6,075 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (537,111) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (39,632) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 60001848 Switchgear Replace and Upgrade 2027

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

| County % | | |
|---|---|---|
| | Bernalillo | 50% |
| | Santa Fe | 10% |
| | Sandoval | 30% |
| | Valencia | 10% |

Description

In an effort to improve safety and system reliability across PNM's territory, PNM is replacing the live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays.

## Project No: 60001848 Switchgear Replace and Upgrade 2027

Project Need Justification

In an effort to improve our safety and system reliability across PNM's territories, PNM is replacing its live front padmounted switchgears with dead front padmounted switchgears. Live front means that the switchgear has exposed energized parts inside both the switch bays and fuse bays. These exposed parts have been compromised by vermin on some of PNM's live switchgears, causing lengthy outages. PNM has a monthly report that identifies which equipment has been compromised due to vermin. The identified vermin compromised switchgears will be replaced with dead front padmounted switchgears. Dead front means that the switchgear will not have any exposed energized parts, providing additional employee safety when accessing the switchgear and during the installation process. Dead front is the PNM standard for all new padmounted switchgear installations.
For 2027, PNM will changeout approximately one switchgear and the rest of the budget will be allocated to engineering and design.
For 2028, PNM will changeout approximately 25-43 switchgears. The actual number depends on the type of switchgear.

**Project No:** **60001848** **Switchgear Replace and Upgrade 2027**

Project Alternatives

Alternatives for this project:
Alternative 1) Do nothing - Outages are likely to continue as vermin continue to have access to energized switchgear parts.
Alternative 2) Vermin proof the pad of the gear - this does not prevent outages entirely and does not prevent accidental electrical contacts.
Alternative 3) Replace live front gears only on failure to operate - this would lead to unpredictable outages and an increase to System Average Interruption Duration Index (SAIDI) minutes.

**Project No:** **60001848** **Switchgear Replace and Upgrade 2027**

| | |
|---|---|
| Project Estimate Approach | Equipment and installation costs were estimated using previous PNM projects that were similar in nature. |

**Project No:** **60001848** **Switchgear Replace and Upgrade 2027**

| | |
|---|---|
| Customer Benefit | The customer will benefit from reduced outages caused by rodents/animals contacting switchgear equipment. |

## Project No: 60001848 Switchgear Replace and Upgrade 2027

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | The Compliance Driver for this project is SAIDI Minutes. Repeated outages from rodents/animals negatively effects SAIDI minutes with extended outages. It negatively affects customer perception of reliability and system performance. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60001848** **Switchgear Replace and Upgrade 2027**

General Services

Reliability & Resiliency

Upgrading to dead front switchgears increases reliability and resiliency as the switching components and electrical contact points are within an entirely closed structure. Because all the components are enclosed, they are protected from animals/rodents and the environmental elements.

Safety & Security

Upgrading to dead front switchgears increases safety as the switching components and electrical contact points are within an entirely closed structure.

Technology Advancements

## Project No: 60001848 Switchgear Replace and Upgrade 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: 60001848 Switchgear Replace and Upgrade 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 9 | 51 | 101 | 101 | 101 | 101 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 1,828 | 9,860 | 19,502 | 19,502 | 19,502 | 19,502 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 47 | 254 | 503 | 503 | 503 | 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 | - | 1 | 4 | 8 | 8 | 8 | 8 |
| 914: Pension and Benefits | - | 2 | 10 | 19 | 19 | 19 | 19 |
| 915: Injuries and Damages | - | 2 | 10 | 19 | 19 | 19 | 19 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 132 | 713 | 1,411 | 1,411 | 1,411 | 1,411 |
| 926: A&G Loads | - | 71 | 381 | 754 | 754 | 754 | 754 |
| 928: AFUDC Debt | - | 2 | 16 | 51 | 97 | 144 | 191 |
| 929: AFUDC Equity | - | 3 | 22 | 69 | 132 | 195 | 258 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 2,096 | 11,321 | 22,437 | 22,546 | 22,656 | 22,767 |

## Project No: 60001848 Switchgear Replace and Upgrade 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 101 | 101 | 51 | 717 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 19,502 | 19,502 | 9,860 | 138,560 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 503 | 503 | 254 | 3,573 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 8 | 4 | 59 |
| 914: Pension and Benefits | 19 | 19 | 10 | 136 |
| 915: Injuries and Damages | 19 | 19 | 10 | 136 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 1,411 | 1,411 | 713 | 10,023 |
| 926: A&G Loads | 754 | 754 | 381 | 5,357 |
| 928: AFUDC Debt | 238 | 286 | 322 | 1,347 |
| 929: AFUDC Equity | 322 | 386 | 435 | 1,822 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 22,878 | 22,989 | 12,040 | 161,730 |

## Project No: 60001848 Switchgear Replace and Upgrade 2027

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 717 | 50 | 9 | 9 | 785 | - | 2,372 | 2,372 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 42,689 | 42,689 |
| 370: Outside Services | 138,560 | 9,751 | 1,828 | 1,828 | 151,967 | - | 47,432 | 47,432 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 3,573 | 251 | 47 | 47 | 3,918 | - | 2,372 | 2,372 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 59 | 4 | 1 | 1 | 65 | - | 196 | 196 |
| 914: Pension and Benefits | 136 | 10 | 2 | 2 | 149 | - | 450 | 450 |
| 915: Injuries and Damages | 136 | 9 | 2 | 2 | 149 | - | 450 | 450 |
| 921: Stores Load | - | - | - | - | - | - | 7,158 | 7,158 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 10,023 | 705 | 132 | 132 | 10,992 | - | 6,717 | 6,717 |
| 926: A&G Loads | 5,357 | 377 | 71 | 71 | 5,875 | - | 3,330 | 3,330 |
| 928: AFUDC Debt | 1,347 | 347 | 362 | 368 | 2,424 | 365 | 482 | 714 |
| 929: AFUDC Equity | 1,822 | 469 | 490 | 498 | 3,280 | 576 | 761 | 1,127 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 161,730 | 11,973 | 2,943 | 2,958 | 179,604 | 942 | 114,409 | 115,008 |

## Project No: 60001848 Switchgear Replace and Upgrade 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,327 | 7,327 | 7,327 | 7,327 | 7,327 | 4,955 | 47,119 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 131,881 | 131,881 | 131,881 | 131,881 | 131,881 | 89,192 | 833,975 |
| 370: Outside Services | 146,535 | 146,535 | 146,535 | 146,535 | 146,535 | 99,102 | 1,078,608 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 7,327 | 7,327 | 7,327 | 7,327 | 7,327 | 4,955 | 50,252 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 605 | 605 | 605 | 605 | 605 | 409 | 3,892 |
| 914: Pension and Benefits | 1,391 | 1,391 | 1,391 | 1,391 | 1,391 | 941 | 8,948 |
| 915: Injuries and Damages | 1,389 | 1,389 | 1,389 | 1,389 | 1,389 | 939 | 8,934 |
| 921: Stores Load | 22,114 | 22,114 | 22,114 | 22,114 | 22,114 | 14,956 | 139,841 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 20,752 | 20,752 | 20,752 | 20,752 | 20,752 | 14,035 | 142,221 |
| 926: A&G Loads | 10,287 | 10,287 | 10,287 | 10,287 | 10,287 | 6,957 | 70,925 |
| 928: AFUDC Debt | 1,188 | 1,702 | 2,215 | 2,291 | 2,349 | 2,304 | 16,035 |
| 929: AFUDC Equity | 1,874 | 2,686 | 3,494 | 3,614 | 3,705 | 3,635 | 24,753 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (92,319) | (94,735) | (295,865) | (304,659) | (298,840) | (304,761) | (1,391,177) |
| 825: Closing Cost of Removal | (6,824) | (7,014) | (21,899) | (22,543) | (22,104) | (22,502) | (102,885) |
| Project Net | 253,528 | 252,248 | 37,553 | 28,312 | 34,718 | (84,882) | 931,440 |

## Project No: 60001927 Joint Use Make Ready 2027

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2027

Description

Perform distribution system improvements required to support Joint Use Make Ready applications throughout PNM's service territory. Work includes engineering and construction to remove, replace, relocate, or modify poles and associated distribution facilities to accommodate third-party attachments, including fiber-to-the-home initiatives, while meeting applicable National Electrical Safety Code (NESC) and Federal Communications Commission (FCC) requirements.

## Project No: 60001927 Joint Use Make Ready 2027

Project Need Justification

Joint Use Make Ready work is required to accommodate third-party attachment requests and maintain PNM facilities in compliance with NESC standards and FCC requirements. Projects may require pole replacements, facility relocations, and other system improvements to correct existing conditions and safely accommodate new attachments within required regulatory timelines.

**Project No:** **60001927** **Joint Use Make Ready 2027**

| | |
|---|---|
| Project Alternatives | Alternatives include denying or delaying third-party attachment requests, where allowable, or limiting work to existing facilities without completing required make-ready improvements. However, these alternatives are generally not viable when modifications are required to meet NESC standards, FCC timelines, customer obligations, or other regulatory requirements. |

## Project No: 60001927 Joint Use Make Ready 2027

| | |
|---|---|
| Project Estimate Approach | The estimate is based on forecasted Joint Use Make Ready workload for 2027, including anticipated engineering, material, construction, and outside service costs. Actual requirements will vary based on the number and complexity of third-party attachment applications, required pole replacements and relocations, material and labor escalation, and field conditions. |

**Project No:** **60001927** **Joint Use Make Ready 2027**

| | |
|---|---|
| Customer Benefit | Enables expansion of third-party services such as fiber-to-the-home while maintaining the safety, integrity, and reliability of PNM's distribution system. The work also supports timely processing of Joint Use applications and continued reliable electric service for existing PNM customers. |

## Project No: 60001927 Joint Use Make Ready 2027

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | Relocation of PNM assets due to construction of roads, sidewalks, etc. to make room for improvements and prevent delays. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60001927** **Joint Use Make Ready 2027**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 60001927 Joint Use Make Ready 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: 60001927 Joint Use Make Ready 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 294,500 | 300,345 | 295,000 | 300,375 | 302,000 |
| 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 | - | - | 826 | 826 | 826 | 826 | 826 |
| 914: Pension and Benefits | - | - | 1,899 | 1,899 | 1,899 | 1,899 | 1,899 |
| 915: Injuries and Damages | - | - | 1,896 | 1,896 | 1,896 | 1,896 | 1,896 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | 21,638 | 22,048 | 21,673 | 22,050 | 22,163 |
| 926: A&G Loads | - | - | 11,419 | 11,638 | 11,438 | 11,639 | 11,700 |
| 928: AFUDC Debt | - | - | 354 | 1,071 | 1,792 | 2,517 | 3,253 |
| 929: AFUDC Equity | - | - | 479 | 1,449 | 2,424 | 3,404 | 4,401 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | 343,011 | 351,171 | 346,948 | 354,606 | 358,139 |

## Project No: 60001927 Joint Use Make Ready 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 10,000 | 10,000 | 10,000 | 80,000 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 300,373 | 300,384 | 298,000 | 2,390,977 |
| 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 | 6,608 |
| 914: Pension and Benefits | 1,899 | 1,899 | 1,899 | 15,192 |
| 915: Injuries and Damages | 1,896 | 1,896 | 1,896 | 15,168 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 22,050 | 22,050 | 21,883 | 175,556 |
| 926: A&G Loads | 11,639 | 11,639 | 11,550 | 92,662 |
| 928: AFUDC Debt | 3,994 | 4,736 | 5,480 | 23,195 |
| 929: AFUDC Equity | 5,403 | 6,407 | 7,413 | 31,380 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 358,079 | 359,838 | 358,947 | 2,830,738 |

## Project No: 60001927 Joint Use Make Ready 2027

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 80,000 | 10,000 | 10,000 | 10,000 | 110,000 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 2,390,977 | 300,000 | 300,375 | - | 2,991,352 | - | - | - |
| 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 | 6,608 | 826 | 826 | 826 | 9,086 | - | - | - |
| 914: Pension and Benefits | 15,192 | 1,899 | 1,899 | 1,899 | 20,889 | - | - | - |
| 915: Injuries and Damages | 15,168 | 1,896 | 1,896 | 1,896 | 20,856 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 175,556 | 22,023 | 22,050 | 1,023 | 220,653 | - | - | - |
| 926: A&G Loads | 92,662 | 11,625 | 11,639 | 375 | 116,301 | - | - | - |
| 928: AFUDC Debt | 23,195 | 6,227 | 6,981 | 7,394 | 43,797 | - | - | - |
| 929: AFUDC Equity | 31,380 | 8,424 | 9,444 | 10,004 | 59,251 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (3,347,945) | (3,347,945) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (244,240) | (244,240) | - | - | - |
| Project Net | 2,830,738 | 362,920 | 365,109 | (3,558,767) | - | - | - | - |

## Project No: 60001927 Joint Use Make Ready 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 110,000 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 2,991,352 |
| 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 | - | - | - | - | - | - | 9,086 |
| 914: Pension and Benefits | - | - | - | - | - | - | 20,889 |
| 915: Injuries and Damages | - | - | - | - | - | - | 20,856 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 220,653 |
| 926: A&G Loads | - | - | - | - | - | - | 116,301 |
| 928: AFUDC Debt | - | - | - | - | - | - | 43,797 |
| 929: AFUDC Equity | - | - | - | - | - | - | 59,251 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (3,347,945) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (244,240) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60001945 Smart Devi Replace and Upgrade 2024

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2026

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 20% | Lincoln | 5% | |
| Santa Fe | 20% | Luna | 5% | |
| Grant | 15% | Sandoval | 5% | |
| Otero | 10% | San Miguel | 5% | |
| Valencia | 10% | Union | 5% | |

Description

Replacement of outdated, obsolete, and non-operational dynamic protective devices, capacitors, and switching devices on the power distribution lines with modernized smart devices capable of being operated remotely by Distribution Operations Center (DOC) employees (operators) through the Supervisory Controlled and Data Acquisition (SCADA) system. The SCADA system allows communication between DOC and individual devices over long distances via radio signals.

**Project No:** **60001945 Smart Devi Replace and Upgrade 2024**

Project Need Justification

The modernization of the distribution system with smart devices will provide greater protection, increased reliability, expanded operator control, and enhanced real-time monitoring of the distribution system conditions. Remotely operated reclosers and switch gear can minimize the number of customers affected by a power outage and expedite power restoration which will result in lower customer outage durations. Remotely operated capacitors will increase the ability of operators to monitor and maintain adequate voltage levels on distribution feeders.

**Project No:** **60001945 Smart Devi Replace and Upgrade 2024**

Project Alternatives

One alternative is the do-nothing approach, where reclosers, switch gear, and capacitor banks are only replaced reactively due to equipment failure. This alternative was not considered due to the high costs incurred at PNM when equipment fails and outages occur by relying on the dispatch of crews to identify and manually resolve the issues to restore power.

**Project No:** **60001945** **Smart Devi Replace and Upgrade 2024**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. |

**Project No:** **60001945** **Smart Devi Replace and Upgrade 2024**

| | |
|---|---|
| Customer Benefit | Customers benefit through maintained service integrity and enhanced reliability that come with proactive actions that avoid outages. New installations and upgrades of these types of devices will make it easier to identify outages when they do occur and will reduce the amount of time required to restore service. |

## Project No: 60001945 Smart Devi Replace and Upgrade 2024

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560 (Service Standards for Electric Utilities) requires utilities to maintain plant such that continuity of service is assured as reasonably possible. This project will work to minimize the duration of some outages, reduce the impact of outages on our customers, and help to maintain voltage within the required limits. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60001945 Smart Devi Replace and Upgrade 2024**

General Services

Reliability & Resiliency

Installation of remotely operable switches and modernized dynamic protective reclosers will make it easier to identify the causes of outages and will enable to faster restoration of power. By restoring service faster, the Company will also reduce its System Average Interruption Duration Index (SAIDI) minutes. This project will improve system reliability across the PNM service territory.

Safety & Security

The replacement and addition of these modern, remotely controlled devices will greatly increase the real-time monitoring of the distribution network. This will allow operators to see developing issues and allow mitigation efforts to begin much sooner to keep the system operating in a safe manner. This will be beneficial in the efforts toward wildfire mitigation in terms of system monitoring as well as replacing oil-filled hydraulic devices with solid-state electronic devices thereby minimizing the risk of catastrophic equipment failure potentially resulting in the ignition of a fire in nearby vegetation.

Technology Advancements

## Project No: 60001945 Smart Devi Replace and Upgrade 2024

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 238,379 | - | - | - | - | - | - | 238,379 |
| 120: Overtime-General | 22,391 | - | - | - | - | - | - | 22,391 |
| 350: Material Issues-Major | 1,463,999 | - | - | - | - | - | - | 1,463,999 |
| 370: Outside Services | 453,658 | - | - | - | - | - | - | 453,658 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 122,738 | - | - | - | - | - | - | 122,738 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 20,286 | - | - | - | - | - | - | 20,286 |
| 914: Pension and Benefits | 43,306 | - | - | - | - | - | - | 43,306 |
| 915: Injuries and Damages | 52,141 | - | - | - | - | - | - | 52,141 |
| 921: Stores Load | 36,017 | - | - | - | - | - | - | 36,017 |
| 922: Minor Material Load | 129,262 | - | - | - | - | - | - | 129,262 |
| 925: E&S Loads | 169,718 | - | - | - | - | - | - | 169,718 |
| 926: A&G Loads | 131,520 | - | - | - | - | - | - | 131,520 |
| 928: AFUDC Debt | 27,904 | 92 | - | - | - | - | - | 27,996 |
| 929: AFUDC Equity | 21,156 | 98 | - | - | - | - | - | 21,254 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,669,201) | (38,557) | - | - | - | - | - | (2,707,758) |
| 825: Closing Cost of Removal | (39,194) | (185,715) | - | - | - | - | - | (224,908) |
| Project Net | 224,082 | (224,082) | - | - | - | - | - | (0) |

## Project No: 60001945 Smart Devi Replace and Upgrade 2024

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 238,379 | - | - | - | - | - | - |
| 120: Overtime-General | 22,391 | - | - | - | - | - | - |
| 350: Material Issues-Major | 1,463,999 | - | - | - | - | - | - |
| 370: Outside Services | 453,658 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 122,738 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 20,286 | - | - | - | - | - | - |
| 914: Pension and Benefits | 43,306 | - | - | - | - | - | - |
| 915: Injuries and Damages | 52,141 | - | - | - | - | - | - |
| 921: Stores Load | 36,017 | - | - | - | - | - | - |
| 922: Minor Material Load | 129,262 | - | - | - | - | - | - |
| 925: E&S Loads | 169,718 | - | - | - | - | - | - |
| 926: A&G Loads | 131,520 | - | - | - | - | - | - |
| 928: AFUDC Debt | 27,996 | - | - | - | - | - | - |
| 929: AFUDC Equity | 21,254 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,707,758) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (224,908) | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 60001945 Smart Devi Replace and Upgrade 2024

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 238,379 |
| 120: Overtime-General | - | - | - | 22,391 |
| 350: Material Issues-Major | - | - | - | 1,463,999 |
| 370: Outside Services | - | - | - | 453,658 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 122,738 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 20,286 |
| 914: Pension and Benefits | - | - | - | 43,306 |
| 915: Injuries and Damages | - | - | - | 52,141 |
| 921: Stores Load | - | - | - | 36,017 |
| 922: Minor Material Load | - | - | - | 129,262 |
| 925: E&S Loads | - | - | - | 169,718 |
| 926: A&G Loads | - | - | - | 131,520 |
| 928: AFUDC Debt | - | - | - | 27,996 |
| 929: AFUDC Equity | - | - | - | 21,254 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (2,707,758) |
| 825: Closing Cost of Removal | - | - | - | (224,908) |
| Project Net | - | - | - | (0) |

## Project No: 60001945 Smart Devi Replace and Upgrade 2024

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 238,379 | - | - | - | 238,379 | - | - | - |
| 120: Overtime-General | 22,391 | - | - | - | 22,391 | - | - | - |
| 350: Material Issues-Major | 1,463,999 | - | - | - | 1,463,999 | - | - | - |
| 370: Outside Services | 453,658 | - | - | - | 453,658 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 122,738 | - | - | - | 122,738 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 20,286 | - | - | - | 20,286 | - | - | - |
| 914: Pension and Benefits | 43,306 | - | - | - | 43,306 | - | - | - |
| 915: Injuries and Damages | 52,141 | - | - | - | 52,141 | - | - | - |
| 921: Stores Load | 36,017 | - | - | - | 36,017 | - | - | - |
| 922: Minor Material Load | 129,262 | - | - | - | 129,262 | - | - | - |
| 925: E&S Loads | 169,718 | - | - | - | 169,718 | - | - | - |
| 926: A&G Loads | 131,520 | - | - | - | 131,520 | - | - | - |
| 928: AFUDC Debt | 27,996 | - | - | - | 27,996 | - | - | - |
| 929: AFUDC Equity | 21,254 | - | - | - | 21,254 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,707,758) | - | - | - | (2,707,758) | - | - | - |
| 825: Closing Cost of Removal | (224,908) | - | - | - | (224,908) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 60001945 Smart Devi Replace and Upgrade 2024

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 238,379 |
| 120: Overtime-General | - | - | - | - | - | - | 22,391 |
| 350: Material Issues-Major | - | - | - | - | - | - | 1,463,999 |
| 370: Outside Services | - | - | - | - | - | - | 453,658 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 122,738 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 20,286 |
| 914: Pension and Benefits | - | - | - | - | - | - | 43,306 |
| 915: Injuries and Damages | - | - | - | - | - | - | 52,141 |
| 921: Stores Load | - | - | - | - | - | - | 36,017 |
| 922: Minor Material Load | - | - | - | - | - | - | 129,262 |
| 925: E&S Loads | - | - | - | - | - | - | 169,718 |
| 926: A&G Loads | - | - | - | - | - | - | 131,520 |
| 928: AFUDC Debt | - | - | - | - | - | - | 27,996 |
| 929: AFUDC Equity | - | - | - | - | - | - | 21,254 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,707,758) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (224,908) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 20% | Lincoln | 5% | |
| Santa Fe | 20% | Luna | 5% | |
| Grant | 15% | Sandoval | 5% | |
| Otero | 10% | San Miguel | 5% | |
| Valencia | 10% | Union | 5% | |

Description

Replacement of outdated, obsolete, and non-operational dynamic protective devices, capacitors, and switching devices on the power distribution lines with modernized smart devices capable of being operated remotely by Distribution Operations Center (DOC) employees (operators) through the Supervisory Controlled and Data Acquisition (SCADA) system. The SCADA system allows communication between DOC and individual devices over long distances via radio signals.

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

Project Need Justification

The modernization of the distribution system with smart devices will provide greater protection, increased reliability, expanded operator control, and enhanced real-time monitoring of the distribution system conditions. Remotely operated reclosers and switch gear can minimize the number of customers affected by a power outage and expedite power restoration which will result in lower customer outage durations. Remotely operated capacitors will increase the ability of operators to monitor and maintain adequate voltage levels on distribution feeders.

**Project No:** **60001946** **Smart Devi Replace and Upgrade 2025**

Project Alternatives

One alternative is the do-nothing approach, where reclosers, switch gear, and capacitor banks are only replaced reactively due to equipment failure. This alternative was not considered due to the high costs incurred at PNM when equipment fails and outages occur by relying on the dispatch of crews to identify and manually resolve the issues to restore power.

**Project No:** **60001946** **Smart Devi Replace and Upgrade 2025**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. |

**Project No:** **60001946** **Smart Devi Replace and Upgrade 2025**

| | |
|---|---|
| Customer Benefit | Customers benefit through maintained service integrity and enhanced reliability that come with proactive actions that avoid outages. New installations and upgrades of these types of devices will make it easier to identify outages when they do occur and will reduce the amount of time required to restore service. |

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560 (Service Standards for Electric Utilities) requires utilities to maintain plant such that continuity of service is assured as reasonably possible. This project will work to minimize the duration of some outages, reduce the impact of outages on our customers, and help to maintain voltage within the required limits. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

General Services

Reliability & Resiliency

Installation of remotely operable switches and modernized dynamic protective reclosers will make it easier to identify the causes of outages and will enable to faster restoration of power. By restoring service faster, the Company will also reduce its System Average Interruption Duration Index (SAIDI) minutes. This project will improve system reliability across the PNM service territory.

Safety & Security

The replacement and addition of these modern, remotely controlled devices will greatly increase the real-time monitoring of the distribution network. This will allow operators to see developing issues and allow mitigation efforts to begin much sooner to keep the system operating in a safe manner. This will be beneficial in the efforts toward wildfire mitigation in terms of system monitoring as well as replacing oil-filled hydraulic devices with solid-state electronic devices thereby minimizing the risk of catastrophic equipment failure potentially resulting in the ignition of a fire in nearby vegetation.

Technology Advancements

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 72,959 | 6,905 | 6,905 | 6,905 | 6,905 | 6,905 | 6,905 | 114,389 |
| 120: Overtime-General | 1,338 | - | - | - | - | - | - | 1,338 |
| 350: Material Issues-Major | 224,563 | - | - | - | - | - | - | 224,563 |
| 370: Outside Services | 471,213 | 155,715 | 83,607 | 91,682 | 83,818 | 74,987 | 35,546 | 996,568 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 12,561 | - | - | - | - | - | - | 12,561 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,764 | 526 | 526 | 526 | 526 | 526 | 526 | 8,921 |
| 914: Pension and Benefits | 13,365 | 1,285 | 1,285 | 1,285 | 1,285 | 1,285 | 1,285 | 21,076 |
| 915: Injuries and Damages | 13,820 | 1,367 | 1,367 | 1,367 | 1,367 | 1,367 | 1,367 | 22,023 |
| 921: Stores Load | 12,899 | - | - | - | - | - | - | 12,899 |
| 922: Minor Material Load | 26,549 | - | - | - | - | - | - | 26,549 |
| 925: E&S Loads | 63,407 | 10,777 | 6,090 | 6,615 | 6,104 | 5,530 | 2,966 | 101,488 |
| 926: A&G Loads | 45,724 | 8,456 | 4,707 | 5,127 | 4,718 | 4,258 | 2,207 | 75,196 |
| 928: AFUDC Debt | 25,699 | 2,082 | 2,102 | 2,027 | 1,898 | 1,731 | 1,112 | 36,650 |
| 929: AFUDC Equity | 30,888 | 2,218 | 2,240 | 2,161 | 2,023 | 1,845 | 1,185 | 42,560 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (148,762) | (130,857) | (135,803) | (158,274) | (164,467) | (322,355) | (71,528) | (1,132,046) |
| 825: Closing Cost of Removal | (4,420) | (17,109) | (16,861) | (18,629) | (18,439) | (34,570) | (7,407) | (117,436) |
| Project Net | 867,567 | 41,366 | (43,836) | (59,208) | (74,263) | (258,492) | (25,835) | 447,299 |

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 114,389 | - | - | - | - | - | - |
| 120: Overtime-General | 1,338 | - | - | - | - | - | - |
| 350: Material Issues-Major | 224,563 | - | - | - | - | - | - |
| 370: Outside Services | 996,568 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 12,561 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,921 | - | - | - | - | - | - |
| 914: Pension and Benefits | 21,076 | - | - | - | - | - | - |
| 915: Injuries and Damages | 22,023 | - | - | - | - | - | - |
| 921: Stores Load | 12,899 | - | - | - | - | - | - |
| 922: Minor Material Load | 26,549 | - | - | - | - | - | - |
| 925: E&S Loads | 101,488 | - | - | - | - | - | - |
| 926: A&G Loads | 75,196 | - | - | - | - | - | - |
| 928: AFUDC Debt | 36,650 | 902 | - | - | - | - | - |
| 929: AFUDC Equity | 42,560 | 1,220 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,132,046) | (407,446) | - | - | - | - | - |
| 825: Closing Cost of Removal | (117,436) | (41,975) | - | - | - | - | - |
| Project Net | 447,299 | (447,299) | - | - | - | - | - |

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 114,389 |
| 120: Overtime-General | - | - | - | 1,338 |
| 350: Material Issues-Major | - | - | - | 224,563 |
| 370: Outside Services | - | - | - | 996,568 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 12,561 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 8,921 |
| 914: Pension and Benefits | - | - | - | 21,076 |
| 915: Injuries and Damages | - | - | - | 22,023 |
| 921: Stores Load | - | - | - | 12,899 |
| 922: Minor Material Load | - | - | - | 26,549 |
| 925: E&S Loads | - | - | - | 101,488 |
| 926: A&G Loads | - | - | - | 75,196 |
| 928: AFUDC Debt | - | - | - | 37,552 |
| 929: AFUDC Equity | - | - | - | 43,779 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,539,492) |
| 825: Closing Cost of Removal | - | - | - | (159,410) |
| Project Net | - | - | - | (0) |

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 114,389 | - | - | - | 114,389 | - | - | - |
| 120: Overtime-General | 1,338 | - | - | - | 1,338 | - | - | - |
| 350: Material Issues-Major | 224,563 | - | - | - | 224,563 | - | - | - |
| 370: Outside Services | 996,568 | - | - | - | 996,568 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 12,561 | - | - | - | 12,561 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,921 | - | - | - | 8,921 | - | - | - |
| 914: Pension and Benefits | 21,076 | - | - | - | 21,076 | - | - | - |
| 915: Injuries and Damages | 22,023 | - | - | - | 22,023 | - | - | - |
| 921: Stores Load | 12,899 | - | - | - | 12,899 | - | - | - |
| 922: Minor Material Load | 26,549 | - | - | - | 26,549 | - | - | - |
| 925: E&S Loads | 101,488 | - | - | - | 101,488 | - | - | - |
| 926: A&G Loads | 75,196 | - | - | - | 75,196 | - | - | - |
| 928: AFUDC Debt | 37,552 | - | - | - | 37,552 | - | - | - |
| 929: AFUDC Equity | 43,779 | - | - | - | 43,779 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,539,492) | - | - | - | (1,539,492) | - | - | - |
| 825: Closing Cost of Removal | (159,410) | - | - | - | (159,410) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 60001946 Smart Devi Replace and Upgrade 2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 114,389 |
| 120: Overtime-General | - | - | - | - | - | - | 1,338 |
| 350: Material Issues-Major | - | - | - | - | - | - | 224,563 |
| 370: Outside Services | - | - | - | - | - | - | 996,568 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 12,561 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 8,921 |
| 914: Pension and Benefits | - | - | - | - | - | - | 21,076 |
| 915: Injuries and Damages | - | - | - | - | - | - | 22,023 |
| 921: Stores Load | - | - | - | - | - | - | 12,899 |
| 922: Minor Material Load | - | - | - | - | - | - | 26,549 |
| 925: E&S Loads | - | - | - | - | - | - | 101,488 |
| 926: A&G Loads | - | - | - | - | - | - | 75,196 |
| 928: AFUDC Debt | - | - | - | - | - | - | 37,552 |
| 929: AFUDC Equity | - | - | - | - | - | - | 43,779 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,539,492) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (159,410) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 60001947 Smart Devi Replace and Upgrade 2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 20% | Lincoln | 5% | |
| Santa Fe | 20% | Sandoval | 10% | |
| Grant | 15% | San Miguel | 5% | |
| Otero | 10% | | | |
| Valencia | 15% | | | |

Description

Replacement of outdated, obsolete, and non-operational dynamic protective devices, capacitors, and switching devices on the power distribution lines with modernized smart devices capable of being operated remotely by Distribution Operations Center (DOC) employees (operators) through the Supervisory Controlled and Data Acquisition (SCADA) system. The SCADA system allows communication between DOC and individual devices over long distances via radio signals.

**Project No:** **60001947 Smart Devi Replace and Upgrade 2026**

Project Need Justification

The modernization of the distribution system with smart devices will provide greater protection, increased reliability, expanded operator control, and enhanced real-time monitoring of the distribution system conditions. Remotely operated reclosers and switch gear can minimize the number of customers affected by a power outage and expedite power restoration which will result in lower customer outage durations. Remotely operated capacitors will increase the ability of operators to monitor and maintain adequate voltage levels on distribution feeders.

**Project No:** **60001947 Smart Devi Replace and Upgrade 2026**

Project Alternatives

One alternative is the do-nothing approach, where reclosers, switch gear, and capacitor banks are only replaced reactively due to equipment failure. This alternative was not considered due to the high costs incurred at PNM when equipment fails and outages occur by relying on the dispatch of crews to identify and manually resolve the issues to restore power.

**Project No:** **60001947** **Smart Devi Replace and Upgrade 2026**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data from similar device replacement projects using engineering and labor resources. The major cost drivers for this project include equipment, services, and engineering design as applicable. |

**Project No:** **60001947** **Smart Devi Replace and Upgrade 2026**

| | |
|---|---|
| Customer Benefit | Customers benefit through maintained service integrity and enhanced reliability that come with proactive actions that avoid outages. New installations and upgrades of these types of devices will make it easier to identify outages when they do occur and will reduce the amount of time required to restore service. |

## Project No: 60001947 Smart Devi Replace and Upgrade 2026

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560 (Service Standards for Electric Utilities) requires utilities to maintain plant such that continuity of service is assured as reasonably possible. This project will work to minimize the duration of some outages, reduce the impact of outages on our customers, and help to maintain voltage within the required limits. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 60001947 Smart Devi Replace and Upgrade 2026

General Services

Reliability & Resiliency

Installation of remotely operable switches and modernized dynamic protective reclosers will make it easier to identify the causes of outages and will enable to faster restoration of power. By restoring service faster, the Company will also reduce its System Average Interruption Duration Index (SAIDI) minutes. This project will improve system reliability across the PNM service territory.

Safety & Security

The replacement and addition of these modern, remotely controlled devices will greatly increase the real-time monitoring of the distribution network. This will allow operators to see developing issues and allow mitigation efforts to begin much sooner to keep the system operating in a safe manner. This will be beneficial in the efforts toward wildfire mitigation in terms of system monitoring as well as replacing oil-filled hydraulic devices with solid-state electronic devices thereby minimizing the risk of catastrophic equipment failure potentially resulting in the ignition of a fire in nearby vegetation.

Technology Advancements

## Project No: 60001947 Smart Devi Replace and Upgrade 2026

| | 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: 60001947 Smart Devi Replace and Upgrade 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | 5,517 | 5,517 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 50,000 | 50,000 | 50,000 | 136,798 | 136,798 |
| 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 | - | - | - | - | - | 456 | 456 |
| 914: Pension and Benefits | - | - | - | - | - | 1,048 | 1,048 |
| 915: Injuries and Damages | - | - | - | - | - | 1,046 | 1,046 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | 3,500 | 3,500 | 3,500 | 10,141 | 10,141 |
| 926: A&G Loads | - | - | 1,875 | 1,875 | 1,875 | 5,337 | 5,337 |
| 928: AFUDC Debt | - | - | 57 | 172 | 288 | 512 | 847 |
| 929: AFUDC Equity | - | - | 78 | 233 | 389 | 693 | 1,146 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (50,286) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (3,748) |
| Project Net | - | - | 55,510 | 55,780 | 56,052 | 161,547 | 108,300 |

## Project No: 60001947 Smart Devi Replace and Upgrade 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 5,517 | 5,517 | - | 22,068 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 50,000 | 40,000 | - | 513,596 |
| 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 | 456 | 456 | - | 1,823 |
| 914: Pension and Benefits | 1,048 | 1,048 | - | 4,191 |
| 915: Injuries and Damages | 1,046 | 1,046 | - | 4,184 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 4,065 | 3,365 | - | 38,210 |
| 926: A&G Loads | 2,082 | 1,707 | - | 20,087 |
| 928: AFUDC Debt | 972 | 984 | - | 3,832 |
| 929: AFUDC Equity | 1,315 | 1,331 | - | 5,184 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (51,575) | (469,022) | - | (570,884) |
| 825: Closing Cost of Removal | (3,831) | (34,712) | - | (42,291) |
| Project Net | 11,094 | (448,283) | - | - |

## Project No: 60001947 Smart Devi Replace and Upgrade 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 22,068 | - | - | - | 22,068 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 513,596 | - | - | - | 513,596 | - | - | - |
| 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 | 1,823 | - | - | - | 1,823 | - | - | - |
| 914: Pension and Benefits | 4,191 | - | - | - | 4,191 | - | - | - |
| 915: Injuries and Damages | 4,184 | - | - | - | 4,184 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 38,210 | - | - | - | 38,210 | - | - | - |
| 926: A&G Loads | 20,087 | - | - | - | 20,087 | - | - | - |
| 928: AFUDC Debt | 3,832 | - | - | - | 3,832 | - | - | - |
| 929: AFUDC Equity | 5,184 | - | - | - | 5,184 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (570,884) | - | - | - | (570,884) | - | - | - |
| 825: Closing Cost of Removal | (42,291) | - | - | - | (42,291) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60001947 Smart Devi Replace and Upgrade 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 22,068 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 513,596 |
| 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 | - | - | - | - | - | - | 1,823 |
| 914: Pension and Benefits | - | - | - | - | - | - | 4,191 |
| 915: Injuries and Damages | - | - | - | - | - | - | 4,184 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 38,210 |
| 926: A&G Loads | - | - | - | - | - | - | 20,087 |
| 928: AFUDC Debt | - | - | - | - | - | - | 3,832 |
| 929: AFUDC Equity | - | - | - | - | - | - | 5,184 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (570,884) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (42,291) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60001948 Smart Devi Replace and Upgrade 2027

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 20% | Luna | 5% | |
| Santa Fe | 20% | Sandoval | 15% | |
| Grant | 15% | San Miguel | 5% | |
| Otero | 10% | Union | 5% | |
| Lincoln | 5% | | | |

Description

Replacement of outdated, obsolete, and non-operational dynamic protective devices, capacitors, and switching devices on the power distribution lines with modernized smart devices capable of being operated remotely by Distribution Operations Center (DOC) employees (operators) through the Supervisory Controlled and Data Acquisition (SCADA) system. The SCADA system allows communication between DOC and individual devices over long distances via radio signals.

**Project No:** **60001948 Smart Devi Replace and Upgrade 2027**

Project Need Justification

The modernization of the distribution system with smart devices will provide greater protection, increased reliability, expanded operator control, and enhanced real-time monitoring of the distribution system conditions. Remotely operated reclosers and switch gear can minimize the number of customers affected by a power outage and expedite power restoration which will result in lower customer outage durations. Remotely operated capacitors will increase the ability of operators to monitor and maintain adequate voltage levels on distribution feeders.

**Project No:** **60001948** **Smart Devi Replace and Upgrade 2027**

Project Alternatives

One alternative is the do-nothing approach, where reclosers, switch gear, and capacitor banks are only replaced reactively due to equipment failure. This alternative was not considered due to the high costs incurred at PNM when equipment fails and outages occur by relying on the dispatch of crews to identify and manually resolve the issues to restore power.

**Project No:** **60001948** **Smart Devi Replace and Upgrade 2027**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data from similar device replacement projects using engineering and labor resources. The major cost drivers for this project include equipment, services, and engineering design as applicable. |

**Project No:** **60001948** **Smart Devi Replace and Upgrade 2027**

| | |
|---|---|
| Customer Benefit | Customers benefit through maintained service integrity and enhanced reliability that come with proactive actions that avoid outages. New installations and upgrades of these types of devices will make it easier to identify outages when they do occur and will reduce the amount of time required to restore service. |

## Project No: 60001948 Smart Devi Replace and Upgrade 2027

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | NMPRC Rule 17.9.560 (Service Standards for Electric Utilities) requires utilities to maintain plant such that continuity of service is assured as reasonably possible. This project will work to minimize the duration of some outages, reduce the impact of outages on our customers, and help to maintain voltage within the required limits. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 60001948 Smart Devi Replace and Upgrade 2027

General Services

Reliability & Resiliency

Installation of remotely operable switches and modernized dynamic protective reclosers will make it easier to identify the causes of outages and will enable to faster restoration of power. By restoring service faster, the Company will also reduce its System Average Interruption Duration Index (SAIDI) minutes. This project will improve system reliability across the PNM service territory.

Safety & Security

The replacement and addition of these modern, remotely controlled devices will greatly increase the real-time monitoring of the distribution network. This will allow operators to see developing issues and allow mitigation efforts to begin much sooner to keep the system operating in a safe manner. This will be beneficial in the efforts toward wildfire mitigation in terms of system monitoring as well as replacing oil-filled hydraulic devices with solid-state electronic devices thereby minimizing the risk of catastrophic equipment failure potentially resulting in the ignition of a fire in nearby vegetation.

Technology Advancements

## Project No: 60001948 Smart Devi Replace and Upgrade 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:** **60001948** **Smart Devi Replace and Upgrade 2027**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 15 | 80 | 160 | 160 | 160 | 160 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 2,904 | 15,489 | 30,978 | 30,978 | 30,978 | 30,978 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 75 | 399 | 798 | 798 | 798 | 798 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 7 | 13 | 13 | 13 | 13 |
| 914: Pension and Benefits | - | 3 | 15 | 30 | 30 | 30 | 30 |
| 915: Injuries and Damages | - | 3 | 15 | 30 | 30 | 30 | 30 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 210 | 1,120 | 2,241 | 2,241 | 2,241 | 2,241 |
| 926: A&G Loads | - | 112 | 599 | 1,198 | 1,198 | 1,198 | 1,198 |
| 928: AFUDC Debt | - | 3 | 25 | 80 | 154 | 228 | 303 |
| 929: AFUDC Equity | - | 5 | 34 | 109 | 209 | 309 | 410 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 3,331 | 17,783 | 35,637 | 35,811 | 35,985 | 36,161 |

**Project No:** **60001948** **Smart Devi Replace and Upgrade 2027**

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 160 | 160 | 81 | 1,136 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 30,978 | 30,978 | 15,662 | 219,923 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 798 | 798 | 404 | 5,666 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 13 | 7 | 94 |
| 914: Pension and Benefits | 30 | 30 | 15 | 216 |
| 915: Injuries and Damages | 30 | 30 | 15 | 215 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 2,241 | 2,241 | 1,133 | 15,908 |
| 926: A&G Loads | 1,198 | 1,198 | 606 | 8,502 |
| 928: AFUDC Debt | 378 | 453 | 511 | 2,136 |
| 929: AFUDC Equity | 511 | 613 | 691 | 2,890 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 36,337 | 36,514 | 19,125 | 256,686 |

## Project No: 60001948 Smart Devi Replace and Upgrade 2027

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,136 | 80 | 15 | 15 | 1,246 | - | 5,633 | 5,633 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 101,397 | 101,397 |
| 370: Outside Services | 219,923 | 15,489 | 2,904 | 2,904 | 241,220 | - | 112,663 | 112,663 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 5,666 | 399 | 75 | 75 | 6,215 | - | 5,633 | 5,633 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 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 | 7 | 1 | 1 | 103 | - | 465 | 465 |
| 914: Pension and Benefits | 216 | 15 | 3 | 3 | 237 | - | 1,070 | 1,070 |
| 915: Injuries and Damages | 215 | 15 | 3 | 3 | 236 | - | 1,068 | 1,068 |
| 921: Stores Load | - | - | - | - | - | - | 17,002 | 17,002 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 15,908 | 1,120 | 210 | 210 | 17,448 | - | 15,955 | 15,955 |
| 926: A&G Loads | 8,502 | 599 | 112 | 112 | 9,326 | - | 7,909 | 7,909 |
| 928: AFUDC Debt | 2,136 | 550 | 575 | 585 | 3,846 | 580 | 856 | 1,406 |
| 929: AFUDC Equity | 2,890 | 744 | 778 | 791 | 5,203 | 915 | 1,350 | 2,218 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 256,686 | 19,019 | 4,676 | 4,699 | 285,080 | 1,494 | 271,001 | 272,419 |

## Project No: 60001948 Smart Devi Replace and Upgrade 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 5,633 | 5,633 | 5,633 | 5,633 | 5,633 | 5,633 | 46,310 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 101,397 | 101,397 | 101,397 | 101,397 | 101,397 | 101,397 | 811,176 |
| 370: Outside Services | 112,663 | 112,663 | 112,663 | 112,663 | 112,663 | 112,663 | 1,142,524 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 5,633 | 5,633 | 5,633 | 5,633 | 5,633 | 5,633 | 51,279 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 465 | 465 | 465 | 465 | 465 | 465 | 3,825 |
| 914: Pension and Benefits | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 1,070 | 8,794 |
| 915: Injuries and Damages | 1,068 | 1,068 | 1,068 | 1,068 | 1,068 | 1,068 | 8,780 |
| 921: Stores Load | 17,002 | 17,002 | 17,002 | 17,002 | 17,002 | 17,002 | 136,018 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 15,955 | 15,955 | 15,955 | 15,955 | 15,955 | 15,955 | 145,088 |
| 926: A&G Loads | 7,909 | 7,909 | 7,909 | 7,909 | 7,909 | 7,909 | 72,597 |
| 928: AFUDC Debt | 1,959 | 1,932 | 1,912 | 1,898 | 1,887 | 1,857 | 18,132 |
| 929: AFUDC Equity | 3,091 | 3,049 | 3,017 | 2,994 | 2,976 | 2,929 | 27,742 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (267,298) | (264,091) | (261,703) | (259,927) | (268,551) | (264,829) | (1,586,400) |
| 825: Closing Cost of Removal | (19,700) | (19,470) | (19,300) | (19,174) | (19,815) | (19,545) | (117,004) |
| Project Net | (13,153) | (9,784) | (7,278) | (5,414) | (14,708) | (10,793) | 768,863 |

**Project No:** **60002010** **Misc Substation Improvements Blanke**

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 10/9/2008

Estimated Completion Date 12/31/2032

Description

This project will fund smaller capital replacements, substantial betterments, or improvements at PNM substations. This project typically includes replacement of surge arresters, switches, raptor protection shielding, oil filtration, temperature monitoring equipment, and similar equipment.

**Project No:** **60002010** **Misc Substation Improvements Blanke**

Project Need Justification

Capital replacements and improvements at PNM substations are needed to improve reliability, maintainability, and to enhance safety.

**Project No:** **60002010 Misc Substation Improvements Blanke**

Project Alternatives

Do nothing. Surge arresters, switches, raptor protection shielding, oil filtration, temperature monitoring equipment, and similar equipment will not be replaced or improved at PNM substations, which will result in deficiencies in maintenance, reliability, and safety.

**Project No:** **60002010 Misc Substation Improvements Blanke**

| | |
|---|---|
| Project Estimate Approach | Cost estimates are prepared on a per-item basis. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work and competitive bids. The cost of major material such as load tap changers, disconnect switches or surge arresters are approximately 50%, with contract labor 10%, PNM labor 35% and minor material 5%. Overall spend is tracked quarterly and adjusted to reflect timing of specific replacement tasks. |

**Project No:** **60002010** **Misc Substation Improvements Blanke**

Customer Benefit

This project will increase the reliability of PNM's substations, and customers benefit from having a more reliable system.

**Project No:** **60002010** **Misc Substation Improvements Blanke**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **60002010** **Misc Substation Improvements Blanke**

General Services

Reliability & Resiliency

Keeping PNM substation equipment in excellent condition improves System Average Interruption Duration Index (SAIDI) by improving reliability.

Safety & Security

Replacement of surge arresters, switches, raptor protection shielding, oil filtration, temperature monitoring equipment, and similar equipment, according to standards reduces the risk of employee and public safety incidents and reduces risk of damage to public property.

Technology Advancements

## Project No: 60002010 Misc Substation Improvements Blanke

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 241,918 | 632 | 632 | 632 | 632 | 632 | 632 | 245,707 |
| 120: Overtime-General | 27,966 | - | - | - | - | - | - | 27,966 |
| 350: Material Issues-Major | 395,668 | - | - | - | - | - | - | 395,668 |
| 370: Outside Services | 829,568 | 24,051 | 24,051 | 24,051 | 24,051 | 24,051 | 24,051 | 973,872 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 452 | - | - | - | - | - | - | 452 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 31,031 | - | - | - | - | - | - | 31,031 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 19,883 | 48 | 48 | 48 | 48 | 48 | 48 | 20,172 |
| 914: Pension and Benefits | 73,783 | 118 | 118 | 118 | 118 | 118 | 118 | 74,488 |
| 915: Injuries and Damages | 20,460 | 125 | 125 | 125 | 125 | 125 | 125 | 21,210 |
| 921: Stores Load | 28,124 | - | - | - | - | - | - | 28,124 |
| 922: Minor Material Load | 768 | - | - | - | - | - | - | 768 |
| 925: E&S Loads | 252,946 | 1,623 | 1,623 | 1,623 | 1,623 | 1,623 | 1,623 | 262,685 |
| 926: A&G Loads | 113,589 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 121,290 |
| 928: AFUDC Debt | 71,480 | 32 | 96 | 161 | 225 | 290 | 356 | 72,640 |
| 929: AFUDC Equity | 78,773 | 34 | 102 | 171 | 240 | 310 | 379 | 80,009 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,984,115) | - | - | - | - | - | (157,965) | (2,142,080) |
| 825: Closing Cost of Removal | (202,293) | - | - | - | - | - | (11,709) | (214,002) |
| Project Net | - | 27,946 | 28,078 | 28,211 | 28,345 | 28,480 | (141,060) | - |

## Project No: 60002010 Misc Substation Improvements Blanke

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 245,707 | - | - | - | - | - | - |
| 120: Overtime-General | 27,966 | - | - | - | - | - | - |
| 350: Material Issues-Major | 395,668 | - | - | - | - | - | - |
| 370: Outside Services | 973,872 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 452 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 31,031 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 20,172 | - | - | - | - | - | - |
| 914: Pension and Benefits | 74,488 | - | - | - | - | - | - |
| 915: Injuries and Damages | 21,210 | - | - | - | - | - | - |
| 921: Stores Load | 28,124 | - | - | - | - | - | - |
| 922: Minor Material Load | 768 | - | - | - | - | - | - |
| 925: E&S Loads | 262,685 | - | - | - | - | - | - |
| 926: A&G Loads | 121,290 | - | - | - | - | - | - |
| 928: AFUDC Debt | 72,640 | - | - | - | - | - | - |
| 929: AFUDC Equity | 80,009 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,142,080) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (214,002) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002010 Misc Substation Improvements Blanke

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 245,707 |
| 120: Overtime-General | - | - | - | 27,966 |
| 350: Material Issues-Major | - | - | - | 395,668 |
| 370: Outside Services | - | - | - | 973,872 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 452 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 31,031 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 20,172 |
| 914: Pension and Benefits | - | - | - | 74,488 |
| 915: Injuries and Damages | - | - | - | 21,210 |
| 921: Stores Load | - | - | - | 28,124 |
| 922: Minor Material Load | - | - | - | 768 |
| 925: E&S Loads | - | - | - | 262,685 |
| 926: A&G Loads | - | - | - | 121,290 |
| 928: AFUDC Debt | - | - | - | 72,640 |
| 929: AFUDC Equity | - | - | - | 80,009 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (2,142,080) |
| 825: Closing Cost of Removal | - | - | - | (214,002) |
| Project Net | - | - | - | - |

## Project No: 60002010 Misc Substation Improvements Blanke

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 245,707 | - | - | - | 245,707 | - | - | - |
| 120: Overtime-General | 27,966 | - | - | - | 27,966 | - | - | - |
| 350: Material Issues-Major | 395,668 | - | - | - | 395,668 | - | - | - |
| 370: Outside Services | 973,872 | - | - | - | 973,872 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 452 | - | - | - | 452 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 31,031 | - | - | - | 31,031 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 20,172 | - | - | - | 20,172 | - | - | - |
| 914: Pension and Benefits | 74,488 | - | - | - | 74,488 | - | - | - |
| 915: Injuries and Damages | 21,210 | - | - | - | 21,210 | - | - | - |
| 921: Stores Load | 28,124 | - | - | - | 28,124 | - | - | - |
| 922: Minor Material Load | 768 | - | - | - | 768 | - | - | - |
| 925: E&S Loads | 262,685 | - | - | - | 262,685 | - | - | - |
| 926: A&G Loads | 121,290 | - | - | - | 121,290 | - | - | - |
| 928: AFUDC Debt | 72,640 | - | - | - | 72,640 | - | - | - |
| 929: AFUDC Equity | 80,009 | - | - | - | 80,009 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,142,080) | - | - | - | (2,142,080) | - | - | - |
| 825: Closing Cost of Removal | (214,002) | - | - | - | (214,002) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60002010 Misc Substation Improvements Blanke

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 245,707 |
| 120: Overtime-General | - | - | - | - | - | - | 27,966 |
| 350: Material Issues-Major | - | - | - | - | - | - | 395,668 |
| 370: Outside Services | - | - | - | - | - | - | 973,872 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 452 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 31,031 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 20,172 |
| 914: Pension and Benefits | - | - | - | - | - | - | 74,488 |
| 915: Injuries and Damages | - | - | - | - | - | - | 21,210 |
| 921: Stores Load | - | - | - | - | - | - | 28,124 |
| 922: Minor Material Load | - | - | - | - | - | - | 768 |
| 925: E&S Loads | - | - | - | - | - | - | 262,685 |
| 926: A&G Loads | - | - | - | - | - | - | 121,290 |
| 928: AFUDC Debt | - | - | - | - | - | - | 72,640 |
| 929: AFUDC Equity | - | - | - | - | - | - | 80,009 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,142,080) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (214,002) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002110 Misc 46kv Line

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 600 | Electric System |

**Project Information** County % Total System 100%

Estimated Start Date 10/9/2008

Estimated Completion Date 12/31/2032

Description

This project is for annual capital improvements and replacements associated with 46kv lines. This includes the replacement of structures to improve clearances or poles which have reached the end of their useful service life. Each task in this project is evaluated individually. Evaluations are performed to determine if it is possible to extend the life of the asset (e.g., by adding ground line reinforcements) or if replacement is needed. The decision is based on which option has the greater positive impact on system reliability.

**Project No:** **60002110** **Misc 46kv Line**

Project Need Justification

This work includes improvements of lightning protection from enhanced grounding, or improved clearances provided by the installation of taller poles. Replacement of aged wood cross arms and pin type insulators with polymer post insulators may be performed to improve reliability.

**Project No:** **60002110** **Misc 46kv Line**

Project Alternatives

The only alternative is to do nothing. However, the improvements or replacements outlined in this project are required to maintain continued safe and reliable operation of 46kv lines.

## Project No: 60002110 Misc 46kv Line

| | |
|---|---|
| Project Estimate Approach | The budget is developed from historical spend with trending based on input from line inspection reports (such as pole ground line testing or wood cross arm inspections). Cost estimates are prepared on a per task basis. Estimates typically include major equipment prices from master agreements, and material and construction costs from previous similar work or competitive bids. Overall spend is tracked quarterly and adjusted to reflect timing of specific tasks. |

**Project No:** **60002110** **Misc 46kv Line**

| | |
|---|---|
| Customer Benefit | Customers benefit from this project as newer equipment is less susceptible to outages which improves system reliability. Newer equipment also typically makes it easier to restore service if an outage were to occur. |

**Project No:** **60002110** **Misc 46kv Line**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

## Project No: 60002110 Misc 46kv Line

General Services

Reliability & Resiliency

Newer equipment is less susceptible to outages which improves system reliability. Newer equipment also typically makes it easier to restore service if an outage were to occur.

Safety & Security

Proactively replacing aged equipment reduces the risk of damage to public/Company property if the equipment were to fail. Proactively replacing equipment is also more safe for Company personnel rather then performing work after the equipment has failed.

Technology Advancements

## Project No: 60002110 Misc 46kv Line

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 559,993 | 199 | 199 | 199 | 199 | 199 | 199 | 561,189 |
| 120: Overtime-General | 298,675 | - | - | - | - | - | - | 298,675 |
| 350: Material Issues-Major | 940,936 | - | - | - | - | - | - | 940,936 |
| 370: Outside Services | 1,855,833 | 7,270 | 7,270 | 7,270 | 7,270 | 7,270 | 7,270 | 1,899,451 |
| 374: Outside Services Legal | 5,034 | - | - | - | - | - | - | 5,034 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 801,281 | - | - | - | - | - | - | 801,281 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (556,450) | - | - | - | - | - | - | (556,450) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 64,758 | 15 | 15 | 15 | 15 | 15 | 15 | 64,850 |
| 914: Pension and Benefits | 186,047 | 37 | 37 | 37 | 37 | 37 | 37 | 186,270 |
| 915: Injuries and Damages | 111,541 | 39 | 39 | 39 | 39 | 39 | 39 | 111,778 |
| 921: Stores Load | 42,103 | - | - | - | - | - | - | 42,103 |
| 922: Minor Material Load | 55,529 | - | - | - | - | - | - | 55,529 |
| 925: E&S Loads | 435,346 | 491 | 491 | 491 | 491 | 491 | 491 | 438,295 |
| 926: A&G Loads | 206,634 | 388 | 388 | 388 | 388 | 388 | 388 | 208,964 |
| 928: AFUDC Debt | 64,570 | 921 | 945 | 970 | 994 | 1,018 | 1,043 | 70,461 |
| 929: AFUDC Equity | 73,665 | 982 | 1,008 | 1,033 | 1,059 | 1,085 | 1,111 | 79,944 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,078,241) | - | - | - | - | - | (430,153) | (4,508,393) |
| 825: Closing Cost of Removal | (677,219) | - | - | - | - | - | (22,697) | (699,916) |
| Project Net | 390,038 | 10,344 | 10,393 | 10,443 | 10,493 | 10,544 | (442,255) | 0 |

## Project No: 60002110 Misc 46kv Line

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 561,189 | 202 | 202 | 202 | 202 | 202 | 202 |
| 120: Overtime-General | 298,675 | - | - | - | - | - | - |
| 350: Material Issues-Major | 940,936 | - | - | - | - | - | - |
| 370: Outside Services | 1,899,451 | 7,379 | 7,379 | 7,379 | 7,379 | 7,379 | 7,379 |
| 374: Outside Services Legal | 5,034 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 801,281 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (556,450) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 64,850 | 17 | 17 | 17 | 17 | 17 | 17 |
| 914: Pension and Benefits | 186,270 | 38 | 38 | 38 | 38 | 38 | 38 |
| 915: Injuries and Damages | 111,778 | 38 | 38 | 38 | 38 | 38 | 38 |
| 921: Stores Load | 42,103 | - | - | - | - | - | - |
| 922: Minor Material Load | 55,529 | - | - | - | - | - | - |
| 925: E&S Loads | 438,295 | 537 | 537 | 537 | 537 | 537 | 537 |
| 926: A&G Loads | 208,964 | 284 | 284 | 284 | 284 | 284 | 284 |
| 928: AFUDC Debt | 70,461 | 9 | 26 | 44 | 62 | 59 | 76 |
| 929: AFUDC Equity | 79,944 | 12 | 36 | 60 | 84 | 79 | 103 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,508,393) | - | - | - | (9,581) | - | - |
| 825: Closing Cost of Removal | (699,916) | - | - | - | (714) | - | - |
| Project Net | 0 | 8,517 | 8,558 | 8,600 | (1,653) | 8,634 | 8,676 |

## Project No: 60002110 Misc 46kv Line

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 202 | 202 | 202 | 563,007 |
| 120: Overtime-General | - | - | - | 298,675 |
| 350: Material Issues-Major | - | - | - | 940,936 |
| 370: Outside Services | 7,379 | 7,379 | 7,379 | 1,965,862 |
| 374: Outside Services Legal | - | - | - | 5,034 |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 801,281 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (556,450) |
| 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 | 17 | 17 | 65,000 |
| 914: Pension and Benefits | 38 | 38 | 38 | 186,615 |
| 915: Injuries and Damages | 38 | 38 | 38 | 112,123 |
| 921: Stores Load | - | - | - | 42,103 |
| 922: Minor Material Load | - | - | - | 55,529 |
| 925: E&S Loads | 537 | 537 | 537 | 443,130 |
| 926: A&G Loads | 284 | 284 | 284 | 211,523 |
| 928: AFUDC Debt | 94 | 112 | 131 | 71,075 |
| 929: AFUDC Equity | 128 | 152 | 177 | 80,774 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (4,517,974) |
| 825: Closing Cost of Removal | - | - | - | (700,629) |
| Project Net | 8,718 | 8,760 | 8,803 | 67,612 |

## Project No: 60002110 Misc 46kv Line

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 563,007 | 202 | 202 | 202 | 563,613 | - | - | - |
| 120: Overtime-General | 298,675 | - | - | - | 298,675 | - | - | - |
| 350: Material Issues-Major | 940,936 | - | - | - | 940,936 | - | - | - |
| 370: Outside Services | 1,965,862 | 7,379 | 7,379 | 7,379 | 1,987,999 | 8,445 | 8,445 | 8,445 |
| 374: Outside Services Legal | 5,034 | - | - | - | 5,034 | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 801,281 | - | - | - | 801,281 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (556,450) | - | - | - | (556,450) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 65,000 | 17 | 17 | 17 | 65,050 | - | - | - |
| 914: Pension and Benefits | 186,615 | 38 | 38 | 38 | 186,730 | - | - | - |
| 915: Injuries and Damages | 112,123 | 38 | 38 | 38 | 112,238 | - | - | - |
| 921: Stores Load | 42,103 | - | - | - | 42,103 | - | - | - |
| 922: Minor Material Load | 55,529 | - | - | - | 55,529 | - | - | - |
| 925: E&S Loads | 443,130 | 537 | 537 | 537 | 444,741 | 591 | 591 | 591 |
| 926: A&G Loads | 211,523 | 284 | 284 | 284 | 212,376 | 296 | 296 | 296 |
| 928: AFUDC Debt | 71,075 | 149 | 167 | 186 | 71,577 | 9 | 28 | 48 |
| 929: AFUDC Equity | 80,774 | 201 | 226 | 251 | 81,453 | 15 | 45 | 75 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,517,974) | - | - | (87,858) | (4,605,832) | - | - | (7,877) |
| 825: Closing Cost of Removal | (700,629) | - | - | (6,423) | (707,052) | - | - | (588) |
| Project Net | 67,612 | 8,846 | 8,889 | (85,348) | 0 | 9,357 | 9,406 | 990 |

## Project No: 60002110 Misc 46kv Line

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 563,613 |
| 120: Overtime-General | - | - | - | - | - | - | 298,675 |
| 350: Material Issues-Major | - | - | - | - | - | - | 940,936 |
| 370: Outside Services | 8,445 | 8,445 | 8,445 | 8,445 | 8,445 | 8,445 | 2,064,004 |
| 374: Outside Services Legal | - | - | - | - | - | - | 5,034 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 801,281 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (556,450) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 65,050 |
| 914: Pension and Benefits | - | - | - | - | - | - | 186,730 |
| 915: Injuries and Damages | - | - | - | - | - | - | 112,238 |
| 921: Stores Load | - | - | - | - | - | - | 42,103 |
| 922: Minor Material Load | - | - | - | - | - | - | 55,529 |
| 925: E&S Loads | 591 | 591 | 591 | 591 | 591 | 591 | 450,062 |
| 926: A&G Loads | 296 | 296 | 296 | 296 | 296 | 296 | 215,044 |
| 928: AFUDC Debt | 50 | 69 | 88 | 108 | 127 | 147 | 72,250 |
| 929: AFUDC Equity | 78 | 109 | 139 | 170 | 200 | 231 | 82,515 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (4,613,710) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (707,640) |
| Project Net | 9,460 | 9,510 | 9,560 | 9,610 | 9,660 | 9,711 | 77,263 |

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2026

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 40% | Grant | 3% | |
| Sandoval | 10% | Dona Ana | 4% | |
| Valencia | 20% | | | |
| Santa Fe | 20% | | | |
| Otero | 3% | | | |

Description

In an effort to improve the safety of our employees and system reliability across PNM's service area, this project is going to replace individual multi-wired (bare) 600V secondary wire with insulated bundled wire. These replacements will help mitigate the faults due to vegetation or wind, thereby decreasing outages. PNM will ensure reliability is still maintained by performing load calculations when replacing the open wire with insulated wire. In some cases, PNM will need to install new transformers with the open wire secondary replacements.

Under this project, PNM will replace approximately 50,000 ft of bare secondary wire serving residential and commercial customers with insulated secondary wire.

The scope of these projects include:
a) Inspection of existing facilities that include access to our equipment, current conditions of equipment, and verification that GIS mapping of these facilities is correct.
b) Design of new facilities which includes wire, transformers, poles, and pole hardware.
c) Procurement of materials, easements, permits, and construction bids for the purpose of the installation and removal of overhead secondary wires.
d) Construction of facilities, including wire, transformers, poles, and pole hardware; as well as abandonment and removal of existing facilities.

## Project No:

**60002145 Open Wire Secondary Upgrade 2024-20**

Project Need Justification

There is a known and inherent safety risk with performing work associated with the multi-wired secondary because the secondary wire is bare, energized, and separated in a way that makes it easy to create a line-to-line fault. The linemen have to be more cautious as they navigate bare secondary wire or to access the primary wires.

Wind and vegetation can also cause customer outages when they come in contact with secondary wires, causing the transformer to trip offline. Otherwise, outages are caused when the open wire secondary is too slack, an effect of age, and the separate wires making contact with one another in a wind storm. These faults cause outages and create sparks which can cause fires.

**Project No:** **60002145** **Open Wire Secondary Upgrade 2024-20**

Project Alternatives

Alternative 1) Do Nothing. The risks for not completing this project are safety hazards, increased power outages and longer restoration times for outages.
Alternative 2) Eliminate secondary wire by placing transformers for each customer. This solution is not practical or cost effective. It would not be possible to procure enough transformers to implement this, and the cost would be enormous.

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

| | |
|---|---|
| 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:** **60002145** **Open Wire Secondary Upgrade 2024-20**

| | |
|---|---|
| Customer Benefit | Customers will benefit from fewer and shorter duration power outages. In most cases, customers will also benefit from reduced voltage drop and voltage flicker. |

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

| | |
|---|---|
| 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 decreases the chance of outages for customers, and minimizes outage time when faults occur. |
| Energy Transition | |

**Project No:** **60002145** **Open Wire Secondary Upgrade 2024-20**

General Services

Reliability & Resiliency

This project increases the reliability and resiliency of the distribution network by decreasing the chance of faults and outages and minimizes outage time when faults occur.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of a line-to-line fault. This project also enhances system safety by eliminating sparks caused by line-to-line contact, which can cause fires.

Technology Advancements

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 114,278 | - | - | - | - | - | - | 114,278 |
| 120: Overtime-General | 12,976 | - | - | - | - | - | - | 12,976 |
| 350: Material Issues-Major | 162,922 | - | - | - | - | - | - | 162,922 |
| 370: Outside Services | 1,292,980 | - | - | - | - | - | - | 1,292,980 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 75,630 | - | - | - | - | - | - | 75,630 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 9,918 | - | - | - | - | - | - | 9,918 |
| 914: Pension and Benefits | 20,955 | - | - | - | - | - | - | 20,955 |
| 915: Injuries and Damages | 25,208 | - | - | - | - | - | - | 25,208 |
| 921: Stores Load | 6,241 | - | - | - | - | - | - | 6,241 |
| 922: Minor Material Load | 10,412 | - | - | - | - | - | - | 10,412 |
| 925: E&S Loads | 123,795 | - | - | - | - | - | - | 123,795 |
| 926: A&G Loads | 88,390 | - | - | - | - | - | - | 88,390 |
| 928: AFUDC Debt | 12,711 | 3 | - | - | - | - | - | 12,714 |
| 929: AFUDC Equity | 9,231 | 3 | - | - | - | - | - | 9,234 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,662,962) | (2,048) | - | - | - | - | - | (1,665,009) |
| 825: Closing Cost of Removal | (4,564) | (296,080) | - | - | - | - | - | (300,643) |
| Project Net | 298,121 | (298,121) | - | - | - | - | - | - |

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 114,278 | - | - | - | - | - | - |
| 120: Overtime-General | 12,976 | - | - | - | - | - | - |
| 350: Material Issues-Major | 162,922 | - | - | - | - | - | - |
| 370: Outside Services | 1,292,980 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 75,630 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 9,918 | - | - | - | - | - | - |
| 914: Pension and Benefits | 20,955 | - | - | - | - | - | - |
| 915: Injuries and Damages | 25,208 | - | - | - | - | - | - |
| 921: Stores Load | 6,241 | - | - | - | - | - | - |
| 922: Minor Material Load | 10,412 | - | - | - | - | - | - |
| 925: E&S Loads | 123,795 | - | - | - | - | - | - |
| 926: A&G Loads | 88,390 | - | - | - | - | - | - |
| 928: AFUDC Debt | 12,714 | - | - | - | - | - | - |
| 929: AFUDC Equity | 9,234 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,665,009) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (300,643) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 114,278 |
| 120: Overtime-General | - | - | - | 12,976 |
| 350: Material Issues-Major | - | - | - | 162,922 |
| 370: Outside Services | - | - | - | 1,292,980 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 75,630 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 9,918 |
| 914: Pension and Benefits | - | - | - | 20,955 |
| 915: Injuries and Damages | - | - | - | 25,208 |
| 921: Stores Load | - | - | - | 6,241 |
| 922: Minor Material Load | - | - | - | 10,412 |
| 925: E&S Loads | - | - | - | 123,795 |
| 926: A&G Loads | - | - | - | 88,390 |
| 928: AFUDC Debt | - | - | - | 12,714 |
| 929: AFUDC Equity | - | - | - | 9,234 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,665,009) |
| 825: Closing Cost of Removal | - | - | - | (300,643) |
| Project Net | - | - | - | - |

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 114,278 | - | - | - | 114,278 | - | - | - |
| 120: Overtime-General | 12,976 | - | - | - | 12,976 | - | - | - |
| 350: Material Issues-Major | 162,922 | - | - | - | 162,922 | - | - | - |
| 370: Outside Services | 1,292,980 | - | - | - | 1,292,980 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 75,630 | - | - | - | 75,630 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 9,918 | - | - | - | 9,918 | - | - | - |
| 914: Pension and Benefits | 20,955 | - | - | - | 20,955 | - | - | - |
| 915: Injuries and Damages | 25,208 | - | - | - | 25,208 | - | - | - |
| 921: Stores Load | 6,241 | - | - | - | 6,241 | - | - | - |
| 922: Minor Material Load | 10,412 | - | - | - | 10,412 | - | - | - |
| 925: E&S Loads | 123,795 | - | - | - | 123,795 | - | - | - |
| 926: A&G Loads | 88,390 | - | - | - | 88,390 | - | - | - |
| 928: AFUDC Debt | 12,714 | - | - | - | 12,714 | - | - | - |
| 929: AFUDC Equity | 9,234 | - | - | - | 9,234 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,665,009) | - | - | - | (1,665,009) | - | - | - |
| 825: Closing Cost of Removal | (300,643) | - | - | - | (300,643) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60002145 Open Wire Secondary Upgrade 2024-20

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 114,278 |
| 120: Overtime-General | - | - | - | - | - | - | 12,976 |
| 350: Material Issues-Major | - | - | - | - | - | - | 162,922 |
| 370: Outside Services | - | - | - | - | - | - | 1,292,980 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 75,630 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 9,918 |
| 914: Pension and Benefits | - | - | - | - | - | - | 20,955 |
| 915: Injuries and Damages | - | - | - | - | - | - | 25,208 |
| 921: Stores Load | - | - | - | - | - | - | 6,241 |
| 922: Minor Material Load | - | - | - | - | - | - | 10,412 |
| 925: E&S Loads | - | - | - | - | - | - | 123,795 |
| 926: A&G Loads | - | - | - | - | - | - | 88,390 |
| 928: AFUDC Debt | - | - | - | - | - | - | 12,714 |
| 929: AFUDC Equity | - | - | - | - | - | - | 9,234 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,665,009) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (300,643) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002146 Open Wire Secondary Upgrade 2025-20

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2027

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 40% | Grant | 3% | |
| Sandoval | 10% | Dona Ana | 4% | |
| Valencia | 20% | | | |
| Santa Fe | 20% | | | |
| Otero | 3% | | | |

Description

In an effort to improve the safety of our employees and system reliability across PNM's service area, this project is going to replace individual multi-wired (bare) 600V secondary wire with insulated bundled wire. These replacements will help mitigate the faults due to vegetation or wind, thereby decreasing outages. PNM will ensure reliability is still maintained by performing load calculations when replacing the open wire with insulated wire. In some cases, PNM will need to install new transformers with the open wire secondary replacements.

Under this project, PNM will replace approximately 50,000 ft of bare secondary wire serving residential and commercial customers with insulated secondary wire.

The scope of these projects include:
a) Inspection of existing facilities that include access to our equipment, current conditions of equipment, and verification that GIS mapping of these facilities is correct.
b) Design of new facilities which includes wire, transformers, poles, and pole hardware.
c) Procurement of materials, easements, permits, and construction bids for the purpose of the installation and removal of overhead secondary wires.
d) Construction of facilities, including wire, transformers, poles, and pole hardware; as well as abandonment and removal of existing facilities.

## Project No:

**60002146 Open Wire Secondary Upgrade 2025-20**

Project Need Justification

There is a known and inherent safety risk with performing work associated with the multi-wired secondary because the secondary wire is bare, energized, and separated in a way that makes it easy to create a line-to-line fault. The linemen have to be more cautious as they navigate bare secondary wire or to access the primary wires.

Wind and vegetation can also cause customer outages when they come in contact with secondary wires, causing the transformer to trip offline. Otherwise, outages are caused when the open wire secondary is too slack, an effect of age, and the separate wires making contact with one another in a wind storm. These faults cause outages and create sparks which can cause fires.

## Project No: 60002146 Open Wire Secondary Upgrade 2025-20

Project Alternatives

Alternative 1) Do Nothing. The risks for not completing this project are safety hazards, increased power outages and longer restoration times for outages.
Alternative 2) Eliminate secondary wire by placing transformers for each customer. This solution is not practical or cost effective. It would not be possible to procure enough transformers to implement this, and the cost would be enormous.

**Project No:** **60002146** **Open Wire Secondary Upgrade 2025-20**

| | |
|---|---|
| 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:** **60002146** **Open Wire Secondary Upgrade 2025-20**

| | |
|---|---|
| Customer Benefit | Customers will benefit from fewer and shorter duration power outages. In most cases, customers will also benefit from reduced voltage drop and voltage flicker. |

| **Project No:** | **60002146 Open Wire Secondary Upgrade 2025-20** |
|---|---|
| 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 decreases the risk of outages for customers and minimizes outage time when faults occur. |
| Energy Transition | |

**Project No:** **60002146** **Open Wire Secondary Upgrade 2025-20**

General Services

Reliability & Resiliency

This project increases the reliability and resiliency of the distribution network by decreasing the risk of faults and outages and minimizes outage time when faults occur.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of a line-to-line fault. This project also enhances system safety by eliminating sparks caused by line-to-line contact, which can cause fires.

Technology Advancements

## Project No: 60002146 Open Wire Secondary Upgrade 2025-20

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 46,543 | - | - | - | - | - | - | 46,543 |
| 120: Overtime-General | 6,155 | - | - | - | - | - | - | 6,155 |
| 350: Material Issues-Major | 144,833 | - | - | - | - | - | - | 144,833 |
| 370: Outside Services | 1,046,968 | - | - | - | - | - | - | 1,046,968 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 11,021 | - | - | - | - | - | - | 11,021 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,068 | - | - | - | - | - | - | 4,068 |
| 914: Pension and Benefits | 9,395 | - | - | - | - | - | - | 9,395 |
| 915: Injuries and Damages | 9,820 | - | - | - | - | - | - | 9,820 |
| 921: Stores Load | 4,376 | - | - | - | - | - | - | 4,376 |
| 922: Minor Material Load | 3,185 | - | - | - | - | - | - | 3,185 |
| 925: E&S Loads | 98,325 | - | - | - | - | - | - | 98,325 |
| 926: A&G Loads | 67,071 | - | - | - | - | - | - | 67,071 |
| 928: AFUDC Debt | 22,748 | 2,009 | - | - | - | - | - | 24,757 |
| 929: AFUDC Equity | 17,667 | 2,141 | - | - | - | - | - | 19,808 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (404,383) | (819,745) | - | - | - | - | - | (1,224,129) |
| 825: Closing Cost of Removal | - | (272,196) | - | - | - | - | - | (272,196) |
| Project Net | 1,087,792 | (1,087,792) | - | - | - | - | - | - |

## Project No: 60002146 Open Wire Secondary Upgrade 2025-20

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 46,543 | - | - | - | - | - | - |
| 120: Overtime-General | 6,155 | - | - | - | - | - | - |
| 350: Material Issues-Major | 144,833 | - | - | - | - | - | - |
| 370: Outside Services | 1,046,968 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 11,021 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,068 | - | - | - | - | - | - |
| 914: Pension and Benefits | 9,395 | - | - | - | - | - | - |
| 915: Injuries and Damages | 9,820 | - | - | - | - | - | - |
| 921: Stores Load | 4,376 | - | - | - | - | - | - |
| 922: Minor Material Load | 3,185 | - | - | - | - | - | - |
| 925: E&S Loads | 98,325 | - | - | - | - | - | - |
| 926: A&G Loads | 67,071 | - | - | - | - | - | - |
| 928: AFUDC Debt | 24,757 | - | - | - | - | - | - |
| 929: AFUDC Equity | 19,808 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,224,129) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (272,196) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002146 Open Wire Secondary Upgrade 2025-20

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 46,543 |
| 120: Overtime-General | - | - | - | 6,155 |
| 350: Material Issues-Major | - | - | - | 144,833 |
| 370: Outside Services | - | - | - | 1,046,968 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 11,021 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 4,068 |
| 914: Pension and Benefits | - | - | - | 9,395 |
| 915: Injuries and Damages | - | - | - | 9,820 |
| 921: Stores Load | - | - | - | 4,376 |
| 922: Minor Material Load | - | - | - | 3,185 |
| 925: E&S Loads | - | - | - | 98,325 |
| 926: A&G Loads | - | - | - | 67,071 |
| 928: AFUDC Debt | - | - | - | 24,757 |
| 929: AFUDC Equity | - | - | - | 19,808 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,224,129) |
| 825: Closing Cost of Removal | - | - | - | (272,196) |
| Project Net | - | - | - | - |

## Project No: 60002146 Open Wire Secondary Upgrade 2025-20

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 46,543 | - | - | - | 46,543 | - | - | - |
| 120: Overtime-General | 6,155 | - | - | - | 6,155 | - | - | - |
| 350: Material Issues-Major | 144,833 | - | - | - | 144,833 | - | - | - |
| 370: Outside Services | 1,046,968 | - | - | - | 1,046,968 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 11,021 | - | - | - | 11,021 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,068 | - | - | - | 4,068 | - | - | - |
| 914: Pension and Benefits | 9,395 | - | - | - | 9,395 | - | - | - |
| 915: Injuries and Damages | 9,820 | - | - | - | 9,820 | - | - | - |
| 921: Stores Load | 4,376 | - | - | - | 4,376 | - | - | - |
| 922: Minor Material Load | 3,185 | - | - | - | 3,185 | - | - | - |
| 925: E&S Loads | 98,325 | - | - | - | 98,325 | - | - | - |
| 926: A&G Loads | 67,071 | - | - | - | 67,071 | - | - | - |
| 928: AFUDC Debt | 24,757 | - | - | - | 24,757 | - | - | - |
| 929: AFUDC Equity | 19,808 | - | - | - | 19,808 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,224,129) | - | - | - | (1,224,129) | - | - | - |
| 825: Closing Cost of Removal | (272,196) | - | - | - | (272,196) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60002146 Open Wire Secondary Upgrade 2025-20

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 46,543 |
| 120: Overtime-General | - | - | - | - | - | - | 6,155 |
| 350: Material Issues-Major | - | - | - | - | - | - | 144,833 |
| 370: Outside Services | - | - | - | - | - | - | 1,046,968 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 11,021 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 4,068 |
| 914: Pension and Benefits | - | - | - | - | - | - | 9,395 |
| 915: Injuries and Damages | - | - | - | - | - | - | 9,820 |
| 921: Stores Load | - | - | - | - | - | - | 4,376 |
| 922: Minor Material Load | - | - | - | - | - | - | 3,185 |
| 925: E&S Loads | - | - | - | - | - | - | 98,325 |
| 926: A&G Loads | - | - | - | - | - | - | 67,071 |
| 928: AFUDC Debt | - | - | - | - | - | - | 24,757 |
| 929: AFUDC Equity | - | - | - | - | - | - | 19,808 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,224,129) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (272,196) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002147 Open Wire Secondary Upgrade 2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 40% | Grant | 3% | |
| Sandoval | 10% | Dona Ana | 4% | |
| Valencia | 20% | | | |
| Santa Fe | 20% | | | |
| Otero | 3% | | | |

Description

In an effort to improve the safety of our employees and system reliability across PNM's service area, this project is going to replace individual multi-wired (bare) 600V secondary wire with insulated bundled wire. These replacements will help mitigate the faults due to vegetation or wind, thereby decreasing outages. PNM will ensure reliability is still maintained by performing load calculations when replacing the open wire with insulated wire. In some cases, PNM will need to install new transformers with the open wire secondary replacements.

Under this project, PNM will replace approximately 50,000 ft of bare secondary wire serving residential and commercial customers with insulated secondary wire.

The scope of these projects include:
a) Inspection of existing facilities that include access to our equipment, current conditions of equipment, and verification that GIS mapping of these facilities is correct.
b) Design of new facilities which includes wire, transformers, poles, and pole hardware.
c) Procurement of materials, easements, permits, and construction bids for the purpose of the installation and removal of overhead secondary wires.
d) Construction of facilities, including wire, transformers, poles, and pole hardware; as well as abandonment and removal of existing facilities.

## Project No: 60002147 Open Wire Secondary Upgrade 2026

Project Need Justification

There is a known and inherent safety risk with performing work associated with the multi-wired secondary because the secondary wire is bare, energized, and separated in a way that makes it easy to create a line-to-line fault. The linemen have to be more cautious as they navigate bare secondary wire or to access the primary wires.

Wind and vegetation can also cause customer outages when they come in contact with secondary wires, causing the transformer to trip offline. Otherwise, outages are caused when the open wire secondary is too slack, an effect of age, and the separate wires making contact with one another in a wind storm. These faults cause outages and create sparks which can cause fires.

**Project No:** **60002147** **Open Wire Secondary Upgrade 2026**

Project Alternatives

Alternative 1) Do Nothing. The risks for not completing this project are safety hazards, increased power outages and longer restoration times for outages.
Alternative 2) Eliminate secondary wire by placing transformers for each customer. This solution is not practical or cost effective. It would not be possible to procure enough transformers to implement this, and the cost would be enormous.

## Project No: 60002147 Open Wire Secondary Upgrade 2026

| | |
|---|---|
| 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:** **60002147** **Open Wire Secondary Upgrade 2026**

| | |
|---|---|
| Customer Benefit | Customers will benefit from fewer and shorter duration power outages. In most cases, customers will also benefit from reduced voltage drop and voltage flicker. |

## Project No: 60002147 Open Wire Secondary Upgrade 2026

| | |
|---|---|
| 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. |
| Energy Transition | |

## Project No: 60002147 Open Wire Secondary Upgrade 2026

General Services

Reliability & Resiliency

This project increases the reliability and resiliency of the distribution network by decreasing the risk of faults and outages and minimizes outage time when faults occur.

Safety & Security

This project creates a safer working space for lineman, reducing the risk of a line-to-line fault. This project also enhances system safety by eliminating sparks caused by line-to-line contact, which can cause fires.

Technology Advancements

## Project No: 60002147 Open Wire Secondary Upgrade 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 49,368 | 55,368 | 49,368 | 40,568 | 36,150 | 21,600 | 252,422 |
| 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 | - | 3,209 | 3,599 | 3,209 | 2,637 | 2,350 | 1,404 | 16,407 |
| 926: A&G Loads | - | 2,567 | 2,879 | 2,567 | 2,110 | 1,880 | 1,123 | 13,126 |
| 928: AFUDC Debt | - | 63 | 198 | 333 | 450 | 550 | 627 | 2,221 |
| 929: AFUDC Equity | - | 67 | 211 | 355 | 479 | 587 | 668 | 2,368 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | 55,275 | 62,255 | 55,832 | 46,244 | 41,517 | 25,423 | 286,544 |

## Project No: 60002147 Open Wire Secondary Upgrade 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 252,422 | 19,197 | 102,011 | 133,403 | 161,226 | 167,644 | 60,505 |
| 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 | 16,407 | 1,344 | 7,141 | 9,338 | 11,286 | 11,735 | 4,235 |
| 926: A&G Loads | 13,126 | 720 | 3,825 | 5,003 | 6,046 | 6,287 | 2,269 |
| 928: AFUDC Debt | 2,221 | 616 | 758 | 1,032 | 1,375 | 1,759 | 2,029 |
| 929: AFUDC Equity | 2,368 | 833 | 1,025 | 1,396 | 1,860 | 2,379 | 2,745 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 286,544 | 22,709 | 114,760 | 150,171 | 181,792 | 189,804 | 71,784 |

## Project No: 60002147 Open Wire Secondary Upgrade 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 16,719 | 10,650 | 10,650 | 934,427 |
| 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 | 1,170 | 746 | 746 | 64,148 |
| 926: A&G Loads | 627 | 399 | 399 | 38,701 |
| 928: AFUDC Debt | 2,128 | 2,171 | 2,207 | 16,295 |
| 929: AFUDC Equity | 2,879 | 2,937 | 2,985 | 21,407 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 23,524 | 16,903 | 16,987 | 1,074,978 |

## Project No: 60002147 Open Wire Secondary Upgrade 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 934,427 | 10,650 | 1,650 | 650 | 947,377 | - | - | - |
| 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 | 64,148 | 746 | 116 | 46 | 65,054 | - | - | - |
| 926: A&G Loads | 38,701 | 399 | 62 | 24 | 39,187 | - | - | - |
| 928: AFUDC Debt | 16,295 | 2,243 | 2,268 | 2,283 | 23,089 | 495 | - | - |
| 929: AFUDC Equity | 21,407 | 3,034 | 3,069 | 3,089 | 30,598 | 781 | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (804,720) | (804,720) | (228,249) | - | - |
| 825: Closing Cost of Removal | - | - | - | (57,418) | (57,418) | (16,195) | - | - |
| Project Net | 1,074,978 | 17,071 | 7,165 | (856,047) | 243,167 | (243,167) | - | - |

## Project No: 60002147 Open Wire Secondary Upgrade 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 947,377 |
| 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 | - | - | - | - | - | - | 65,054 |
| 926: A&G Loads | - | - | - | - | - | - | 39,187 |
| 928: AFUDC Debt | - | - | - | - | - | - | 23,584 |
| 929: AFUDC Equity | - | - | - | - | - | - | 31,379 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,032,969) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (73,613) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002148 Open Wire Secondary Upgrade 2027

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

| County % | | | | |
|---|---|---|---|---|
| Bernalillo | 40% | Grant | 3% | |
| Sandoval | 10% | Dona Ana | 2% | |
| Valencia | 20% | | | |
| Santa Fe | 20% | | | |
| Otero | 5% | | | |

Description

In an effort to improve the safety of our employees and system reliability across PNM's service area, this project will replace individual multi-wired (bare) 600V secondary wire with insulated bundled wire. These replacements help mitigate faults caused by vegetation or wind, decreasing outages. PNM will ensure reliability is maintained by performing load calculations when replacing the open wire with insulated wire. In some cases PNM will need to install new transformers with the open wire secondary replacements.

Under this project, PNM will replace approximately 50,000 ft of bare secondary wire serving residential and commercial customers with insulated secondary wire.

The scope of these projects includes:
a) Inspection of existing facilities, including access to our equipment, current conditions of equipment, and verification that GIS mapping of these facilities is correct.
b) Design of new facilities, including wire, transformers, poles and pole hardware.
c) Procurement of materials, easements, permits and construction bids for the installation and removal of overhead secondary wires.
d) Construction of facilities, including wire, transformers, poles and pole hardware, and abandonment and removal of existing facilities.

## Project No:

**60002148 Open Wire Secondary Upgrade 2027**

Project Need Justification

There is a known and inherent safety risk with performing work associated with the multi-wired secondary because the secondary wire is bare, energized, and separated in a way that makes it easy to create a line-to-line fault. The linemen have to be more cautious as they navigate bare secondary wire or to access the primary wires.

Wind and vegetation can also cause customer outages when they come in contact with secondary wires, causing the transformer to trip offline. Otherwise, outages are caused when the open wire secondary is too slack, an effect of age, and the separate wires making contact with one another in a wind storm. These faults cause outages and create sparks which can cause fires.

**Project No:** **60002148** **Open Wire Secondary Upgrade 2027**

Project Alternatives

Alternative 1) Do Nothing. The risks for not completing this project are safety hazards, increased power outages and longer restoration times for outages.
Alternative 2) Eliminate secondary wire by placing transformers for each customer. This solution is not practical or cost effective. It would not be possible to procure enough transformers to implement this, and the cost would be enormous.

## Project No: 60002148 Open Wire Secondary Upgrade 2027

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. Class-5 rough order of magnitude estimates were utilized and based on current industry standards. The major cost drivers for this project include equipment, services, and engineering design as applicable. |

**Project No:** **60002148** **Open Wire Secondary Upgrade 2027**

| | |
|---|---|
| Customer Benefit | Customers will benefit from fewer and shorter duration power outages. In most cases, customers will also benefit from reduced voltage drop and voltage flicker. |

## Project No: 60002148 Open Wire Secondary Upgrade 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 | This project increases the reliability of the customer's connection to the distribution system. It also decreases the risk of outages for customers and minimizes outage time when faults occur. |
| Energy Transition | |

**Project No:** **60002148** **Open Wire Secondary Upgrade 2027**

General Services

Reliability & Resiliency

This project increases the reliability and resiliency of the distribution network by decreasing the risk of faults and outages and minimizes outage time when faults occur.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of a line-to-line fault. This project also enhances system safety by eliminating sparks caused by line-to-line contact, which can cause fires.

Technology Advancements

## Project No: 60002148 Open Wire Secondary Upgrade 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: 60002148 Open Wire Secondary Upgrade 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 19 | 100 | 100 | 200 | 200 | 200 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 3,629 | 19,354 | 19,354 | 38,707 | 38,707 | 38,707 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 94 | 499 | 499 | 998 | 998 | 998 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 8 | 8 | 17 | 17 | 17 |
| 914: Pension and Benefits | - | 4 | 19 | 19 | 38 | 38 | 38 |
| 915: Injuries and Damages | - | 4 | 19 | 19 | 38 | 38 | 38 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 263 | 1,400 | 1,400 | 2,800 | 2,800 | 2,800 |
| 926: A&G Loads | - | 140 | 748 | 748 | 1,496 | 1,496 | 1,496 |
| 928: AFUDC Debt | - | 4 | 32 | 78 | 147 | 239 | 332 |
| 929: AFUDC Equity | - | 6 | 43 | 105 | 198 | 323 | 449 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 4,164 | 22,222 | 22,330 | 44,639 | 44,856 | 45,075 |

## Project No: 60002148 Open Wire Secondary Upgrade 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 200 | 101 | 100 | 1,220 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 38,707 | 19,569 | 19,354 | 236,088 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 998 | 504 | 499 | 6,087 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 8 | 8 | 101 |
| 914: Pension and Benefits | 38 | 19 | 19 | 232 |
| 915: Injuries and Damages | 38 | 19 | 19 | 231 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 2,800 | 1,415 | 1,400 | 17,077 |
| 926: A&G Loads | 1,496 | 757 | 748 | 9,127 |
| 928: AFUDC Debt | 425 | 497 | 545 | 2,299 |
| 929: AFUDC Equity | 576 | 672 | 738 | 3,110 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 45,295 | 23,561 | 23,430 | 275,571 |

## Project No: 60002148 Open Wire Secondary Upgrade 2027

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,220 | 19 | 19 | - | 1,258 | - | 1,249 | 1,249 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 22,487 | 22,487 |
| 370: Outside Services | 236,088 | 3,629 | 3,629 | - | 243,346 | - | 58,299 | 58,299 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 6,087 | 94 | 94 | - | 6,275 | - | 1,249 | 1,249 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 101 | 2 | 2 | - | 104 | - | 103 | 103 |
| 914: Pension and Benefits | 232 | 4 | 4 | - | 239 | - | 237 | 237 |
| 915: Injuries and Damages | 231 | 4 | 4 | - | 239 | - | 237 | 237 |
| 921: Stores Load | - | - | - | - | - | - | 3,771 | 3,771 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 17,077 | 263 | 263 | - | 17,602 | - | 5,870 | 5,870 |
| 926: A&G Loads | 9,127 | 140 | 140 | - | 9,408 | - | 2,923 | 2,923 |
| 928: AFUDC Debt | 2,299 | 575 | 587 | - | 3,461 | - | 98 | 294 |
| 929: AFUDC Equity | 3,110 | 778 | 794 | - | 4,682 | - | 154 | 464 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (267,121) | - | (267,121) | - | - | - |
| 825: Closing Cost of Removal | - | - | (19,493) | - | (19,493) | - | - | - |
| Project Net | 275,571 | 5,508 | (281,079) | - | (0) | - | 96,677 | 97,183 |

## Project No: 60002148 Open Wire Secondary Upgrade 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,756 | 1,756 | 1,756 | 1,756 | 1,756 | 507 | 13,043 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 31,609 | 31,609 | 31,609 | 31,609 | 31,609 | 9,122 | 212,141 |
| 370: Outside Services | 87,579 | 87,579 | 87,579 | 87,579 | 87,579 | 29,280 | 827,119 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,756 | 1,756 | 1,756 | 1,756 | 1,756 | 507 | 18,060 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 145 | 145 | 145 | 145 | 145 | 42 | 1,077 |
| 914: Pension and Benefits | 333 | 333 | 333 | 333 | 333 | 96 | 2,477 |
| 915: Injuries and Damages | 333 | 333 | 333 | 333 | 333 | 96 | 2,473 |
| 921: Stores Load | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 | 1,530 | 35,572 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 8,646 | 8,646 | 8,646 | 8,646 | 8,646 | 2,776 | 75,347 |
| 926: A&G Loads | 4,307 | 4,307 | 4,307 | 4,307 | 4,307 | 1,384 | 38,172 |
| 928: AFUDC Debt | 537 | 712 | 866 | 935 | 989 | 923 | 8,815 |
| 929: AFUDC Equity | 848 | 1,123 | 1,366 | 1,475 | 1,561 | 1,456 | 13,129 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (53,310) | (63,032) | (102,298) | (109,328) | (120,062) | (120,552) | (835,703) |
| 825: Closing Cost of Removal | (3,982) | (4,698) | (7,610) | (8,119) | (8,903) | (8,904) | (61,709) |
| Project Net | 85,857 | 75,868 | 34,088 | 26,728 | 15,350 | (81,739) | 350,013 |

## Project No: 60002226 Facility Conflicts 2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2032

Description

Relocate or modify existing PNM distribution facilities that conflict with municipal, county, or state transportation and infrastructure improvement projects. Work may include relocation or replacement of poles, overhead conductor, underground cable, transformers, services, and other associated distribution equipment located within public right-of-way. Projects will include engineering, permitting, material procurement, construction, and project management required to coordinate PNM facility relocations with the requesting agency's construction schedule.

## Project No: 60002226 Facility Conflicts 2026

Project Need Justification

Municipalities, counties, and state agencies periodically perform roadway widening, intersection improvements, sidewalk and ADA (Americans with Disabilities Act) improvements, drainage projects, bridge work, and other public infrastructure projects that conflict with existing PNM facilities located within public right-of-way. PNM must relocate or modify affected facilities to remove construction conflicts, maintain required clearances, and allow the public improvement projects to proceed while maintaining safe and reliable electric service.

**Project No:** **60002226** **Facility Conflicts 2026**

| | |
|---|---|
| Project Alternatives | Alternatives are evaluated on a project-specific basis and may include relocating facilities to an alternate alignment, converting portions of facilities between overhead and underground configurations where appropriate, or coordinating modifications to the public project where feasible. Taking no action is generally not a viable alternative when existing PNM facilities conflict with approved public improvements or right-of-way requirements. |

**Project No:** **60002226** **Facility Conflicts 2026**

| | |
|---|---|
| Project Estimate Approach | Annual funding is developed based on anticipated facility conflict workload and historical costs for similar relocation projects. Individual project estimates are developed as scopes are received from municipalities, counties, and state agencies and are refined through engineering based on facility quantities, material requirements, permitting, construction complexity, traffic control, and site-specific conditions. |

**Project No:** **60002226** **Facility Conflicts 2026**

| | |
|---|---|
| Customer Benefit | Maintains safe and reliable electric service while supporting completion of public roadway and infrastructure improvements. Coordinated relocation of PNM facilities reduces the potential for service interruptions during construction, minimizes conflicts with public construction, and supports ADA and transportation improvements. |

| **Project No:** | **60002226** | **Facility Conflicts 2026** |
|---|---|---|
| Primary Value Driver | Compliance | |
| Compliance | Relocation of PNM assets due to construction of roads, sidewalks, etc. to make room for improvements and prevent delays. | |
| Customer Delivery | | |
| Energy Transition | | |

**Project No:** **60002226** **Facility Conflicts 2026**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 60002226 Facility Conflicts 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 197,508 | 330,573 | 330,573 | 330,573 | - | 1,189,228 |
| 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 | - | - | 12,838 | 21,487 | 21,487 | 21,487 | - | 77,300 |
| 926: A&G Loads | - | - | 10,270 | 17,190 | 17,190 | 17,190 | - | 61,840 |
| 928: AFUDC Debt | - | - | 253 | 931 | 1,783 | 2,639 | - | 5,605 |
| 929: AFUDC Equity | - | - | 270 | 992 | 1,900 | 2,812 | - | 5,974 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (1,246,961) | - | (1,246,961) |
| 825: Closing Cost of Removal | - | - | - | - | - | (92,986) | - | (92,986) |
| Project Net | - | - | 221,139 | 371,173 | 372,933 | (965,245) | - | 0 |

## Project No: 60002226 Facility Conflicts 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 1,189,228 | - | - | - | - | - | - |
| 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 | 77,300 | - | - | - | - | - | - |
| 926: A&G Loads | 61,840 | - | - | - | - | - | - |
| 928: AFUDC Debt | 5,605 | - | - | - | - | - | - |
| 929: AFUDC Equity | 5,974 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,246,961) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (92,986) | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 60002226 Facility Conflicts 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | - | - | - | 1,189,228 |
| 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 | - | - | - | 77,300 |
| 926: A&G Loads | - | - | - | 61,840 |
| 928: AFUDC Debt | - | - | - | 5,605 |
| 929: AFUDC Equity | - | - | - | 5,974 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,246,961) |
| 825: Closing Cost of Removal | - | - | - | (92,986) |
| Project Net | - | - | - | 0 |

## Project No: 60002226 Facility Conflicts 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,189,228 | - | - | - | 1,189,228 | - | - | - |
| 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 | 77,300 | - | - | - | 77,300 | - | - | - |
| 926: A&G Loads | 61,840 | - | - | - | 61,840 | - | - | - |
| 928: AFUDC Debt | 5,605 | - | - | - | 5,605 | - | - | - |
| 929: AFUDC Equity | 5,974 | - | - | - | 5,974 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,246,961) | - | - | - | (1,246,961) | - | - | - |
| 825: Closing Cost of Removal | (92,986) | - | - | - | (92,986) | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 60002226 Facility Conflicts 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,189,228 |
| 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 | - | - | - | - | - | - | 77,300 |
| 926: A&G Loads | - | - | - | - | - | - | 61,840 |
| 928: AFUDC Debt | - | - | - | - | - | - | 5,605 |
| 929: AFUDC Equity | - | - | - | - | - | - | 5,974 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,246,961) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (92,986) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 60002227 Facility Conflicts 2027

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2032

Description

Relocate or modify existing PNM distribution facilities that conflict with municipal, county, or state transportation and infrastructure improvement projects. Work may include relocation or replacement of poles, overhead conductor, underground cable, transformers, services, and other associated distribution equipment located within public right-of-way. Projects will include engineering, permitting, material procurement, construction, and project management required to coordinate PNM facility relocations with the requesting agency's construction schedule.

## Project No: 60002227 Facility Conflicts 2027

Project Need Justification

Municipalities, counties, and state agencies periodically perform roadway widening, intersection improvements, sidewalk and ADA (Americans with Disabilities Act) improvements, drainage projects, bridge work, and other public infrastructure projects that conflict with existing PNM facilities located within public right-of-way. PNM must relocate or modify affected facilities to remove construction conflicts, maintain required clearances, and allow the public improvement projects to proceed while maintaining safe and reliable electric service.

**Project No:** **60002227** **Facility Conflicts 2027**

| | |
|---|---|
| Project Alternatives | Alternatives are evaluated on a project-specific basis and may include relocating facilities to an alternate alignment, converting portions of facilities between overhead and underground configurations where appropriate, or coordinating modifications to the public project where feasible. Taking no action is generally not a viable alternative when existing PNM facilities conflict with approved public improvements or right-of-way requirements. |

**Project No:** **60002227** **Facility Conflicts 2027**

| | |
|---|---|
| Project Estimate Approach | Annual funding is developed based on anticipated facility conflict workload and historical costs for similar relocation projects. Individual project estimates are developed as scopes are received from municipalities, counties, and state agencies and are refined through engineering based on facility quantities, material requirements, permitting, construction complexity, traffic control, and site-specific conditions. |

**Project No:** **60002227** **Facility Conflicts 2027**

| | |
|---|---|
| Customer Benefit | Maintains safe and reliable electric service while supporting completion of public roadway and infrastructure improvements. Coordinated relocation of PNM facilities reduces the potential for service interruptions during construction, minimizes conflicts with public construction, and supports ADA and transportation improvements. |

## Project No: 60002227 Facility Conflicts 2027

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | Relocation of PNM assets due to construction of roads, sidewalks, etc. to make room for improvements and prevent delays. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60002227** **Facility Conflicts 2027**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 60002227 Facility Conflicts 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: 60002227 Facility Conflicts 2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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: 60002227 Facility Conflicts 2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 1,207 | 882 | 554 | 2,643 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 234,111 | 271,068 | 207,533 | 712,712 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 6,034 | 4,409 | 2,771 | 13,214 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 73 | 46 | 218 |
| 914: Pension and Benefits | 229 | 167 | 105 | 502 |
| 915: Injuries and Damages | 229 | 167 | 105 | 501 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 16,934 | 19,374 | 14,778 | 51,085 |
| 926: A&G Loads | 9,051 | 10,363 | 7,907 | 27,321 |
| 928: AFUDC Debt | 277 | 873 | 1,437 | 2,587 |
| 929: AFUDC Equity | 375 | 1,181 | 1,943 | 3,499 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 268,546 | 308,558 | 237,179 | 814,283 |

## Project No: 60002227 Facility Conflicts 2027

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 2,643 | 318 | 134 | 52 | 3,147 | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 712,712 | 161,729 | 125,939 | 10,179 | 1,010,559 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 13,214 | 1,591 | 669 | 262 | 15,736 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 218 | 26 | 11 | 4 | 260 | - | - | - |
| 914: Pension and Benefits | 502 | 60 | 25 | 10 | 598 | - | - | - |
| 915: Injuries and Damages | 501 | 60 | 25 | 10 | 597 | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 51,085 | 11,465 | 8,876 | 736 | 72,163 | - | - | - |
| 926: A&G Loads | 27,321 | 6,136 | 4,753 | 393 | 38,604 | - | - | - |
| 928: AFUDC Debt | 2,587 | 1,874 | 2,217 | 2,385 | 9,062 | - | - | - |
| 929: AFUDC Equity | 3,499 | 2,535 | 2,999 | 3,227 | 12,260 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,083,069) | (1,083,069) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | (79,916) | (79,916) | - | - | - |
| Project Net | 814,283 | 185,795 | 145,648 | (1,145,726) | 0 | - | - | - |

## Project No: 60002227 Facility Conflicts 2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 3,147 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,010,559 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 15,736 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 |
| 914: Pension and Benefits | - | - | - | - | - | - | 598 |
| 915: Injuries and Damages | - | - | - | - | - | - | 597 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 72,163 |
| 926: A&G Loads | - | - | - | - | - | - | 38,604 |
| 928: AFUDC Debt | - | - | - | - | - | - | 9,062 |
| 929: AFUDC Equity | - | - | - | - | - | - | 12,260 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,083,069) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (79,916) |
| Project Net | - | - | - | - | - | - | 0 |

## Project No: 60002245 Distribution Looping 2024-2025

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2026

| County % | | |
|---|---|---|
| | Santa Fe | 50% |
| | Bernalillo | 30% |
| | Sandoval | 10% |
| | Valencia | 10% |

Description

The objective of this project is to improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems. The Looping project will consist of the design and installation of necessary facilities for the purpose of looping existing underground distribution radials. The configuration of these underground radials results in extended outages for our customers and higher System Average Interruption Duration Index (SAIDI) minutes if a fault occurs. Engineering, Distribution Operations Center (DOC) Operations, and Planning will identify the worst performing radials, longest radials, and radials with the most customers. When these radials are identified engineering will analyze and design the best way to loop the radials to a redundant feed.

**Project No:** **60002245** **Distribution Looping 2024-2025**

Project Need Justification

The customers downstream of the fault will remain out of power until the failure is repaired or replaced. The looped radials will provide a redundant feed to this area, and should a cable fault or transformer failure occur, the restoration time and SAIDI minutes will decrease. Looping will reduce the outage duration and number of customers impacted by a fault.

**Project No:** **60002245 Distribution Looping 2024-2025**

Project Alternatives

Alternative 1) is to do nothing, however, the customers downstream of a fault will remain out of power until the failure is repaired or replaced on a radial feed.
Alternative 2) is replacing the radial, however, this is not a viable option because even with new infrastructure, there is an inherent risk to having extended outage times if any of the new infrastructure is damaged or compromised. It is not a sound option to pick and choose what radials get replaced knowing that if an outage does occur customers will be without power until the fault gets replaced, the termination is replaced, or if a temporary above ground line is installed to restore power until engineering can design a solution.

**Project No:** **60002245** **Distribution Looping 2024-2025**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. In addition, Class-5 estimates are utilized and based on current industry standards. |

**Project No:** **60002245** **Distribution Looping 2024-2025**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |

## Project No: 60002245 Distribution Looping 2024-2025

| | |
|---|---|
| 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. It also decreases the chance of outages for customers, and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60002245** **Distribution Looping 2024-2025**

General Services

Reliability & Resiliency

This project will improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60002245 Distribution Looping 2024-2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 59,289 | - | - | - | - | - | - | 59,289 |
| 120: Overtime-General | 233 | - | - | - | - | - | - | 233 |
| 350: Material Issues-Major | 866,913 | - | - | - | - | - | - | 866,913 |
| 370: Outside Services | 4,315,516 | - | - | - | - | - | - | 4,315,516 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 26,741 | - | - | - | - | - | - | 26,741 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,697 | - | - | - | - | - | - | 4,697 |
| 914: Pension and Benefits | 10,767 | - | - | - | - | - | - | 10,767 |
| 915: Injuries and Damages | 11,093 | - | - | - | - | - | - | 11,093 |
| 921: Stores Load | 35,954 | - | - | - | - | - | - | 35,954 |
| 922: Minor Material Load | 50,250 | - | - | - | - | - | - | 50,250 |
| 925: E&S Loads | 372,393 | - | - | - | - | - | - | 372,393 |
| 926: A&G Loads | 294,695 | - | - | - | - | - | - | 294,695 |
| 928: AFUDC Debt | 85,398 | 2,849 | - | - | - | - | - | 88,247 |
| 929: AFUDC Equity | 59,451 | 3,037 | - | - | - | - | - | 62,487 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,575,867) | (1,164,701) | - | - | - | - | - | (5,740,569) |
| 825: Closing Cost of Removal | (148,406) | (310,303) | - | - | - | - | - | (458,709) |
| Project Net | 1,469,118 | (1,469,118) | - | - | - | - | - | - |

## Project No: 60002245 Distribution Looping 2024-2025

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 59,289 | - | - | - | - | - | - |
| 120: Overtime-General | 233 | - | - | - | - | - | - |
| 350: Material Issues-Major | 866,913 | - | - | - | - | - | - |
| 370: Outside Services | 4,315,516 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 26,741 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,697 | - | - | - | - | - | - |
| 914: Pension and Benefits | 10,767 | - | - | - | - | - | - |
| 915: Injuries and Damages | 11,093 | - | - | - | - | - | - |
| 921: Stores Load | 35,954 | - | - | - | - | - | - |
| 922: Minor Material Load | 50,250 | - | - | - | - | - | - |
| 925: E&S Loads | 372,393 | - | - | - | - | - | - |
| 926: A&G Loads | 294,695 | - | - | - | - | - | - |
| 928: AFUDC Debt | 88,247 | - | - | - | - | - | - |
| 929: AFUDC Equity | 62,487 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,740,569) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (458,709) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002245 Distribution Looping 2024-2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 59,289 |
| 120: Overtime-General | - | - | - | 233 |
| 350: Material Issues-Major | - | - | - | 866,913 |
| 370: Outside Services | - | - | - | 4,315,516 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 26,741 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 4,697 |
| 914: Pension and Benefits | - | - | - | 10,767 |
| 915: Injuries and Damages | - | - | - | 11,093 |
| 921: Stores Load | - | - | - | 35,954 |
| 922: Minor Material Load | - | - | - | 50,250 |
| 925: E&S Loads | - | - | - | 372,393 |
| 926: A&G Loads | - | - | - | 294,695 |
| 928: AFUDC Debt | - | - | - | 88,247 |
| 929: AFUDC Equity | - | - | - | 62,487 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (5,740,569) |
| 825: Closing Cost of Removal | - | - | - | (458,709) |
| Project Net | - | - | - | - |

## Project No: 60002245 Distribution Looping 2024-2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 59,289 | - | - | - | 59,289 | - | - | - |
| 120: Overtime-General | 233 | - | - | - | 233 | - | - | - |
| 350: Material Issues-Major | 866,913 | - | - | - | 866,913 | - | - | - |
| 370: Outside Services | 4,315,516 | - | - | - | 4,315,516 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 26,741 | - | - | - | 26,741 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,697 | - | - | - | 4,697 | - | - | - |
| 914: Pension and Benefits | 10,767 | - | - | - | 10,767 | - | - | - |
| 915: Injuries and Damages | 11,093 | - | - | - | 11,093 | - | - | - |
| 921: Stores Load | 35,954 | - | - | - | 35,954 | - | - | - |
| 922: Minor Material Load | 50,250 | - | - | - | 50,250 | - | - | - |
| 925: E&S Loads | 372,393 | - | - | - | 372,393 | - | - | - |
| 926: A&G Loads | 294,695 | - | - | - | 294,695 | - | - | - |
| 928: AFUDC Debt | 88,247 | - | - | - | 88,247 | - | - | - |
| 929: AFUDC Equity | 62,487 | - | - | - | 62,487 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,740,569) | - | - | - | (5,740,569) | - | - | - |
| 825: Closing Cost of Removal | (458,709) | - | - | - | (458,709) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60002245 Distribution Looping 2024-2025

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 59,289 |
| 120: Overtime-General | - | - | - | - | - | - | 233 |
| 350: Material Issues-Major | - | - | - | - | - | - | 866,913 |
| 370: Outside Services | - | - | - | - | - | - | 4,315,516 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 26,741 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 4,697 |
| 914: Pension and Benefits | - | - | - | - | - | - | 10,767 |
| 915: Injuries and Damages | - | - | - | - | - | - | 11,093 |
| 921: Stores Load | - | - | - | - | - | - | 35,954 |
| 922: Minor Material Load | - | - | - | - | - | - | 50,250 |
| 925: E&S Loads | - | - | - | - | - | - | 372,393 |
| 926: A&G Loads | - | - | - | - | - | - | 294,695 |
| 928: AFUDC Debt | - | - | - | - | - | - | 88,247 |
| 929: AFUDC Equity | - | - | - | - | - | - | 62,487 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (5,740,569) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (458,709) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002246 Distribution Looping 2025-2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

| County % | | |
|---|---|---|
| | Santa Fe | 50% |
| | Bernalillo | 30% |
| | Valencia | 10% |
| | Sandoval | 10% |

Description

The objective of this project is to improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems. The Looping project will consist of the design and installation of necessary facilities for the purpose of looping existing underground distribution radials. The configuration of these underground radials results in extended outages for our customers and higher System Average Interruption Duration Index (SAIDI) minutes if a fault occurs. Engineering, Distribution Operations Center (DOC) Operations, and Planning will identify the worst performing radials, longest radials, and radials with the most customers. When these radials are identified engineering will analyze and design the best way to loop the radials to a redundant feed.

**Project No:** **60002246** **Distribution Looping 2025-2026**

Project Need Justification

The customers downstream of the fault will remain out of power until the failure is repaired or replaced. The looped radials will provide a redundant feed to this area, and should a cable fault or transformer failure occur, the restoration time and SAIDI minutes will decrease. Looping will reduce the outage duration and number of customers impacted by a fault.

**Project No:** **60002246** **Distribution Looping 2025-2026**

Project Alternatives

Alternative 1) is to do nothing, however, the customers downstream of a fault will remain out of power until the failure is repaired or replaced on a radial feed.
Alternative 2) is replacing the radial, however, this is not a viable option because even with new infrastructure, there is an inherent risk to having extended outage times if any of the new infrastructure is damaged or compromised. It is not a sound option to pick and choose what radials get replaced knowing that if an outage does occur customers will be without power until the fault gets replaced, the termination is replaced, or if a temporary above ground line is installed to restore power until engineering can design a solution.

**Project No:** **60002246** **Distribution Looping 2025-2026**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on similar projects using engineering and labor resources. The major cost driver for this project includes equipment, services, and engineering design as applicable. In addition, Class-5 estimates are utilized and based on current industry standards. |

**Project No:** **60002246** **Distribution Looping 2025-2026**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |

## Project No: 60002246 Distribution Looping 2025-2026

| | |
|---|---|
| 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. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60002246** **Distribution Looping 2025-2026**

General Services

Reliability & Resiliency

This project will improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60002246 Distribution Looping 2025-2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 37,130 | - | - | - | - | - | - | 37,130 |
| 120: Overtime-General | 240 | - | - | - | - | - | - | 240 |
| 350: Material Issues-Major | 789,614 | - | - | - | - | - | - | 789,614 |
| 370: Outside Services | 3,177,309 | 183,646 | 173,531 | 146,312 | 159,342 | 150,136 | 47,691 | 4,037,967 |
| 374: Outside Services Legal | 2,454 | - | - | - | - | - | - | 2,454 |
| 377: Outside Svcs-Temp Labor | 186 | - | - | - | - | - | - | 186 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 9,461 | - | - | - | - | - | - | 9,461 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (570) | - | - | - | - | - | - | (570) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 2,898 | - | - | - | - | - | - | 2,898 |
| 914: Pension and Benefits | 6,700 | - | - | - | - | - | - | 6,700 |
| 915: Injuries and Damages | 7,306 | - | - | - | - | - | - | 7,306 |
| 921: Stores Load | 24,376 | - | - | - | - | - | - | 24,376 |
| 922: Minor Material Load | 17,202 | - | - | - | - | - | - | 17,202 |
| 925: E&S Loads | 269,678 | 11,937 | 11,280 | 9,510 | 10,357 | 9,759 | 3,100 | 325,621 |
| 926: A&G Loads | 223,339 | 9,550 | 9,024 | 7,608 | 8,286 | 7,807 | 2,480 | 268,093 |
| 928: AFUDC Debt | 50,062 | 6,976 | 5,223 | 3,689 | 3,554 | 3,440 | 3,237 | 76,182 |
| 929: AFUDC Equity | 40,385 | 7,435 | 5,566 | 3,932 | 3,788 | 3,666 | 3,449 | 68,222 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,482,072) | (912,621) | (800,054) | (221,470) | (214,666) | (192,625) | (161,440) | (3,984,949) |
| 825: Closing Cost of Removal | (25,446) | (132,015) | (110,667) | (29,145) | (26,809) | (22,935) | (18,866) | (365,883) |
| Project Net | 3,150,250 | (825,093) | (706,098) | (79,564) | (56,148) | (40,752) | (120,349) | 1,322,247 |

## Project No: 60002246 Distribution Looping 2025-2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 37,130 | - | - | - | - | - | - |
| 120: Overtime-General | 240 | - | - | - | - | - | - |
| 350: Material Issues-Major | 789,614 | - | - | - | - | - | - |
| 370: Outside Services | 4,037,967 | 13,600 | - | - | - | - | - |
| 374: Outside Services Legal | 2,454 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 186 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 9,461 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (570) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 2,898 | - | - | - | - | - | - |
| 914: Pension and Benefits | 6,700 | - | - | - | - | - | - |
| 915: Injuries and Damages | 7,306 | - | - | - | - | - | - |
| 921: Stores Load | 24,376 | - | - | - | - | - | - |
| 922: Minor Material Load | 17,202 | - | - | - | - | - | - |
| 925: E&S Loads | 325,621 | 952 | - | - | - | - | - |
| 926: A&G Loads | 268,093 | 510 | - | - | - | - | - |
| 928: AFUDC Debt | 76,182 | 2,647 | - | - | - | - | - |
| 929: AFUDC Equity | 68,222 | 3,581 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,984,949) | (1,204,130) | - | - | - | - | - |
| 825: Closing Cost of Removal | (365,883) | (139,406) | - | - | - | - | - |
| Project Net | 1,322,247 | (1,322,247) | - | - | - | - | - |

## Project No: 60002246 Distribution Looping 2025-2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 37,130 |
| 120: Overtime-General | - | - | - | 240 |
| 350: Material Issues-Major | - | - | - | 789,614 |
| 370: Outside Services | - | - | - | 4,051,567 |
| 374: Outside Services Legal | - | - | - | 2,454 |
| 377: Outside Svcs-Temp Labor | - | - | - | 186 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 9,461 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (570) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 2,898 |
| 914: Pension and Benefits | - | - | - | 6,700 |
| 915: Injuries and Damages | - | - | - | 7,306 |
| 921: Stores Load | - | - | - | 24,376 |
| 922: Minor Material Load | - | - | - | 17,202 |
| 925: E&S Loads | - | - | - | 326,573 |
| 926: A&G Loads | - | - | - | 268,603 |
| 928: AFUDC Debt | - | - | - | 78,828 |
| 929: AFUDC Equity | - | - | - | 71,802 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (5,189,079) |
| 825: Closing Cost of Removal | - | - | - | (505,290) |
| Project Net | - | - | - | (0) |

## Project No: 60002246 Distribution Looping 2025-2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 37,130 | - | - | - | 37,130 | - | - | - |
| 120: Overtime-General | 240 | - | - | - | 240 | - | - | - |
| 350: Material Issues-Major | 789,614 | - | - | - | 789,614 | - | - | - |
| 370: Outside Services | 4,051,567 | - | - | - | 4,051,567 | - | - | - |
| 374: Outside Services Legal | 2,454 | - | - | - | 2,454 | - | - | - |
| 377: Outside Svcs-Temp Labor | 186 | - | - | - | 186 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 9,461 | - | - | - | 9,461 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (570) | - | - | - | (570) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 2,898 | - | - | - | 2,898 | - | - | - |
| 914: Pension and Benefits | 6,700 | - | - | - | 6,700 | - | - | - |
| 915: Injuries and Damages | 7,306 | - | - | - | 7,306 | - | - | - |
| 921: Stores Load | 24,376 | - | - | - | 24,376 | - | - | - |
| 922: Minor Material Load | 17,202 | - | - | - | 17,202 | - | - | - |
| 925: E&S Loads | 326,573 | - | - | - | 326,573 | - | - | - |
| 926: A&G Loads | 268,603 | - | - | - | 268,603 | - | - | - |
| 928: AFUDC Debt | 78,828 | - | - | - | 78,828 | - | - | - |
| 929: AFUDC Equity | 71,802 | - | - | - | 71,802 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,189,079) | - | - | - | (5,189,079) | - | - | - |
| 825: Closing Cost of Removal | (505,290) | - | - | - | (505,290) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 60002246 Distribution Looping 2025-2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 37,130 |
| 120: Overtime-General | - | - | - | - | - | - | 240 |
| 350: Material Issues-Major | - | - | - | - | - | - | 789,614 |
| 370: Outside Services | - | - | - | - | - | - | 4,051,567 |
| 374: Outside Services Legal | - | - | - | - | - | - | 2,454 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 186 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 9,461 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (570) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 2,898 |
| 914: Pension and Benefits | - | - | - | - | - | - | 6,700 |
| 915: Injuries and Damages | - | - | - | - | - | - | 7,306 |
| 921: Stores Load | - | - | - | - | - | - | 24,376 |
| 922: Minor Material Load | - | - | - | - | - | - | 17,202 |
| 925: E&S Loads | - | - | - | - | - | - | 326,573 |
| 926: A&G Loads | - | - | - | - | - | - | 268,603 |
| 928: AFUDC Debt | - | - | - | - | - | - | 78,828 |
| 929: AFUDC Equity | - | - | - | - | - | - | 71,802 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (5,189,079) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (505,290) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 60002247 Distribution Looping 2026-2027

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2026

Estimated Completion Date 12/31/2028

| County % | | |
|---|---|---|
| | Santa Fe | 50% |
| | Bernalillo | 30% |
| | Valencia | 10% |
| | Sandoval | 10% |

Description

The objective of this project is to improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems. The Looping project will consist of the design and installation of necessary facilities for the purpose of looping existing underground distribution radials. The configuration of these underground radials results in extended outages for our customers and higher System Average Interruption Duration Index (SAIDI) minutes if a fault occurs. Engineering, Distribution Operations Center (DOC) Operations, and Planning will identify the worst performing radials, longest radials, and radials with the most customers. When these radials are identified engineering will analyze and design the best way to loop the radials to a redundant feed.

**Project No:** **60002247** **Distribution Looping 2026-2027**

| | |
|---|---|
| Project Need Justification | Looping will reduce the outage duration and number of customers impacted by a fault. The customers downstream of the fault will remain out of power until the failure is repaired or replaced. The looped radials will provide a redundant feed to this area, and should a cable fault or transformer failure occur, the restoration time and SAIDI minutes will decrease. |

**Project No:** **60002247** **Distribution Looping 2026-2027**

Project Alternatives

Alternative 1) Do nothing. However, the customers downstream of a fault will remain out of power until the failure is repaired or replaced on a radial feed.
Alternative 2) Replace the radial. However, this is not a viable option because, even with new infrastructure, there is an inherent risk to having extended outage times if any of the new infrastructure is damaged or compromised. It is not a sound option to pick and choose what radials get replaced knowing that if an outage occurs customers will be without power until the fault gets replaced, the termination is replaced, or a temporary above ground line is installed to restore power until Engineering can design a solution.

**Project No:** **60002247** **Distribution Looping 2026-2027**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data for 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 are utilized and based on current industry standards. |

**Project No:** **60002247** **Distribution Looping 2026-2027**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable is being replaced with cable in conduit. |

## Project No: 60002247 Distribution Looping 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 | This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |
| Energy Transition | |

**Project No:** **60002247** **Distribution Looping 2026-2027**

General Services

Reliability & Resiliency

This project will improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60002247 Distribution Looping 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 | - | 49,966 | 43,966 | 47,866 | 37,966 | 31,550 | 31,262 | 242,575 |
| 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 | - | 3,248 | 2,858 | 3,111 | 2,468 | 2,051 | 2,032 | 15,767 |
| 926: A&G Loads | - | 2,598 | 2,286 | 2,489 | 1,974 | 1,641 | 1,626 | 12,614 |
| 928: AFUDC Debt | - | 64 | 185 | 303 | 415 | 506 | 589 | 2,062 |
| 929: AFUDC Equity | - | 68 | 197 | 323 | 442 | 539 | 628 | 2,197 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | 55,944 | 49,491 | 54,093 | 43,265 | 36,287 | 36,136 | 275,216 |

## Project No: 60002247 Distribution Looping 2026-2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 242,575 | 47,651 | 84,537 | 138,637 | 160,891 | 179,004 | 175,925 |
| 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 | 15,767 | 3,336 | 5,918 | 9,705 | 11,262 | 12,530 | 12,315 |
| 926: A&G Loads | 12,614 | 1,787 | 3,170 | 5,199 | 6,033 | 6,713 | 6,597 |
| 928: AFUDC Debt | 2,062 | 625 | 780 | 1,039 | 1,087 | 1,150 | 1,264 |
| 929: AFUDC Equity | 2,197 | 845 | 1,055 | 1,406 | 1,471 | 1,556 | 1,709 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (135,235) | (149,234) | (134,600) | (79,367) |
| 825: Closing Cost of Removal | - | - | - | (9,991) | (11,036) | (9,963) | (5,875) |
| Project Net | 275,216 | 54,244 | 95,459 | 10,760 | 20,475 | 56,390 | 112,567 |

## Project No: 60002247 Distribution Looping 2026-2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 182,035 | 180,522 | 157,548 | 1,549,325 |
| 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 | - | - | - | - |
| 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 | 12,742 | 12,637 | 11,028 | 107,240 |
| 926: A&G Loads | 6,826 | 6,770 | 5,908 | 61,617 |
| 928: AFUDC Debt | 1,504 | 1,514 | 1,512 | 12,536 |
| 929: AFUDC Equity | 2,034 | 2,048 | 2,045 | 16,367 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (185,533) | (178,714) | (191,033) | (1,053,716) |
| 825: Closing Cost of Removal | (13,728) | (13,217) | (14,116) | (77,926) |
| Project Net | 5,881 | 11,560 | (27,107) | 615,445 |

## Project No: 60002247 Distribution Looping 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 | 1,549,325 | 132,625 | 109,571 | 13,300 | 1,804,821 | - | - | - |
| 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 | 107,240 | 9,284 | 7,670 | 931 | 125,125 | - | - | - |
| 926: A&G Loads | 61,617 | 4,973 | 4,109 | 499 | 71,198 | - | - | - |
| 928: AFUDC Debt | 12,536 | 1,427 | 1,300 | 1,089 | 16,352 | 1,012 | - | - |
| 929: AFUDC Equity | 16,367 | 1,931 | 1,758 | 1,474 | 21,530 | 1,597 | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,053,716) | (185,395) | (160,894) | (34,926) | (1,434,930) | (466,626) | - | - |
| 825: Closing Cost of Removal | (77,926) | (13,684) | (11,860) | (2,563) | (106,032) | (34,048) | - | - |
| Project Net | 615,445 | (48,838) | (48,346) | (20,196) | 498,065 | (498,065) | - | - |

## Project No: 60002247 Distribution Looping 2026-2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 1,804,821 |
| 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 | - | - | - | - | - | - | 125,125 |
| 926: A&G Loads | - | - | - | - | - | - | 71,198 |
| 928: AFUDC Debt | - | - | - | - | - | - | 17,365 |
| 929: AFUDC Equity | - | - | - | - | - | - | 23,127 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (1,901,556) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (140,080) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002248 Distribution Looping 2027-2028

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2027

Estimated Completion Date 12/31/2029

| County % | | |
|---|---|---|
| | Santa Fe | 50% |
| | Bernalillo | 30% |
| | Valencia | 10% |
| | Sandoval | 10% |

Description

The objective of this project is to improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems. The Looping project will consist of the design and installation of necessary facilities for the purpose of looping existing underground distribution radials. The configuration of these underground radials results in extended outages for our customers and higher System Average Interruption Duration Index (SAIDI) minutes if a fault occurs. Engineering, Distribution Operations Center (DOC) Operations, and Planning will identify the worst performing radials, longest radials, and radials with the most customers. When these radials are identified engineering will analyze and design the best way to loop the radials to a redundant feed.

## Project No:

**60002248** **Distribution Looping 2027-2028**

| | |
|---|---|
| Project Need Justification | Looping will reduce the outage duration and number of customers impacted by a fault. The customers downstream of the fault will remain out of power until the failure is repaired or replaced. The looped radials will provide a redundant feed to this area, and should a cable fault or transformer failure occur, the restoration time and SAIDI minutes will decrease. |

**Project No:** **60002248** **Distribution Looping 2027-2028**

Project Alternatives

Alternative 1) Do nothing. However, the customers downstream of a fault will remain out of power until the failure is repaired or replaced on a radial feed.
Alternative 2) Replace the radial. However, this is not a viable option because, even with new infrastructure, there is an inherent risk to having extended outage times if any of the new infrastructure is damaged or compromised. It is not a sound option to pick and choose what radials get replaced knowing that if an outage occurs customers will be without power until the fault gets replaced, the termination is replaced, or a temporary above ground line is installed to restore power until Engineering can design a solution.

**Project No:** **60002248** **Distribution Looping 2027-2028**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data for 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 are utilized and based on current industry standards. |

**Project No:** **60002248** **Distribution Looping 2027-2028**

| | |
|---|---|
| Customer Benefit | This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable is being replaced with cable in conduit. |

## Project No: 60002248 Distribution Looping 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 | This project increases the reliability of the customer's connection to the distribution system because of the new infrastructure being replaced. It also decreases the risk of outages for customers and minimizes outage time when faults occur because the direct buried cable being replaced with cable in conduit. |
| Energy Transition | |

## Project No: 60002248 Distribution Looping 2027-2028

General Services

Reliability & Resiliency

This project will improve the system reliability of PNM's infrastructure by being proactive in the identification of problematic radial underground distribution systems.

Safety & Security

This project creates a safer working space for lineman, reducing the chance of an unforeseen fault.

Technology Advancements

## Project No: 60002248 Distribution Looping 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: 60002248 Distribution Looping 2027-2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 79 | 427 | 427 | 845 | 845 | 845 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 15,370 | 82,883 | 82,883 | 163,941 | 163,941 | 163,941 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 396 | 2,136 | 2,136 | 4,225 | 4,225 | 4,225 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 35 | 35 | 70 | 70 | 70 |
| 914: Pension and Benefits | - | 15 | 81 | 81 | 160 | 160 | 160 |
| 915: Injuries and Damages | - | 15 | 81 | 81 | 160 | 160 | 160 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 1,112 | 5,995 | 5,995 | 11,858 | 11,858 | 11,858 |
| 926: A&G Loads | - | 594 | 3,204 | 3,204 | 6,338 | 6,338 | 6,338 |
| 928: AFUDC Debt | - | 18 | 135 | 332 | 626 | 1,017 | 1,411 |
| 929: AFUDC Equity | - | 25 | 182 | 449 | 846 | 1,376 | 1,908 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 17,630 | 95,159 | 95,623 | 189,069 | 189,990 | 190,916 |

## Project No: 60002248 Distribution Looping 2027-2028

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 845 | 845 | 427 | 5,585 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 163,941 | 163,941 | 82,883 | 1,083,724 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 4,225 | 4,225 | 2,136 | 27,929 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 70 | 70 | 35 | 461 |
| 914: Pension and Benefits | 160 | 160 | 81 | 1,061 |
| 915: Injuries and Damages | 160 | 160 | 81 | 1,059 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 11,858 | 11,858 | 5,995 | 78,387 |
| 926: A&G Loads | 6,338 | 6,338 | 3,204 | 41,896 |
| 928: AFUDC Debt | 1,806 | 2,204 | 2,508 | 10,055 |
| 929: AFUDC Equity | 2,444 | 2,982 | 3,392 | 13,603 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 191,847 | 192,783 | 100,743 | 1,263,762 |

## Project No: 60002248 Distribution Looping 2027-2028

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 5,585 | 423 | 79 | 79 | 6,166 | - | 7,892 | 7,892 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 142,053 | 142,053 |
| 370: Outside Services | 1,083,724 | 81,971 | 15,370 | 15,370 | 1,196,435 | - | 368,285 | 368,285 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 27,929 | 2,113 | 396 | 396 | 30,834 | - | 7,892 | 7,892 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 461 | 35 | 7 | 7 | 509 | - | 652 | 652 |
| 914: Pension and Benefits | 1,061 | 80 | 15 | 15 | 1,171 | - | 1,499 | 1,499 |
| 915: Injuries and Damages | 1,059 | 80 | 15 | 15 | 1,169 | - | 1,496 | 1,496 |
| 921: Stores Load | - | - | - | - | - | - | 23,819 | 23,819 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 78,387 | 5,929 | 1,112 | 1,112 | 86,540 | - | 37,084 | 37,084 |
| 926: A&G Loads | 41,896 | 3,169 | 594 | 594 | 46,254 | - | 18,467 | 18,467 |
| 928: AFUDC Debt | 10,055 | 2,716 | 2,845 | 2,897 | 18,514 | 2,873 | 3,507 | 4,762 |
| 929: AFUDC Equity | 13,603 | 3,674 | 3,849 | 3,919 | 25,046 | 4,532 | 5,533 | 7,513 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 1,263,762 | 100,191 | 24,282 | 24,403 | 1,412,638 | 7,405 | 618,178 | 621,415 |

## Project No: 60002248 Distribution Looping 2027-2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 7,892 | 7,892 | 7,892 | 7,892 | 7,892 | 7,892 | 69,302 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 142,053 | 142,053 | 142,053 | 142,053 | 142,053 | 142,053 | 1,136,424 |
| 370: Outside Services | 368,285 | 368,285 | 368,285 | 368,285 | 368,285 | 368,285 | 4,142,715 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 7,892 | 7,892 | 7,892 | 7,892 | 7,892 | 7,892 | 93,970 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 652 | 652 | 652 | 652 | 652 | 652 | 5,724 |
| 914: Pension and Benefits | 1,499 | 1,499 | 1,499 | 1,499 | 1,499 | 1,499 | 13,160 |
| 915: Injuries and Damages | 1,496 | 1,496 | 1,496 | 1,496 | 1,496 | 1,496 | 13,140 |
| 921: Stores Load | 23,819 | 23,819 | 23,819 | 23,819 | 23,819 | 23,819 | 190,556 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 37,084 | 37,084 | 37,084 | 37,084 | 37,084 | 37,084 | 383,210 |
| 926: A&G Loads | 18,467 | 18,467 | 18,467 | 18,467 | 18,467 | 18,467 | 193,989 |
| 928: AFUDC Debt | 6,025 | 5,959 | 5,906 | 5,864 | 5,765 | 5,686 | 64,860 |
| 929: AFUDC Equity | 9,505 | 9,402 | 9,319 | 9,252 | 9,095 | 8,970 | 98,167 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (612,110) | (606,060) | (601,193) | (627,141) | (617,527) | (609,889) | (3,673,920) |
| 825: Closing Cost of Removal | (44,751) | (44,329) | (43,991) | (45,907) | (45,221) | (44,679) | (268,876) |
| Project Net | (32,192) | (25,889) | (20,820) | (48,793) | (38,749) | (30,772) | 2,462,421 |

## Project No: 60002442 Not in Service Conductors-WFF

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

Estimated Start Date 1/1/2021

Estimated Completion Date 12/31/2026

| County % | | |
|---|---|---|
| | Bernalillo | 40% |
| | San Miguel | 10% |
| | Valencia | 20% |
| | Santa Fe | 20% |
| | Sandoval | 10% |

Description

In an effort to improve safety and system reliability across PNM's territory, in 2020 PNM was asked by the New Mexico Public Regulation Commission (NMPRC) to evaluate PNM's overhead conductors that were not in service and present the findings. PNM found instances where primary conductors that previously were either two-phase or three-phase are being used as one-phase, but the other phases are still present. To remedy this, PNM plans to either redesign the overhead conductor to keep functionality as one-phase, two-phase or three-phase or fully remove it from the system.

**Project No:** **60002442** **Not in Service Conductors-WFF**

Project Need Justification

With the completion of this remedy work, PNM will reduce outages caused by these conductors, reduce the maintenance on PNM facilities, clean up PNM's Drafting and Geographic Information Systems (DGIS) system, and reduce the safety risk associated with work executed by PNM personnel.

**Project No:** **60002442** **Not in Service Conductors-WFF**

Project Alternatives

An alternative approach would be to do nothing. This is not advised as it will lead to increased outages caused by conductors and does nothing to address the safety issues associated with the not in use conductors.

**Project No:** **60002442** **Not in Service Conductors-WFF**

| | |
|---|---|
| Project Estimate Approach | The project was estimated using historical PNM data on 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 are utilized and based on current industry standards. |

**Project No:** **60002442** **Not in Service Conductors-WFF**

| | |
|---|---|
| Customer Benefit | Customers benefit through reduced conductor related outages, enhancing overall reliability. |

## Project No: 60002442 Not in Service Conductors-WFF

| | |
|---|---|
| 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 | Customers benefit through reduced conductor related outages, enhancing overall reliability. |
| Energy Transition | |

**Project No:** **60002442** **Not in Service Conductors-WFF**

General Services

Reliability & Resiliency

This project drives a decrease in conductor related outages, positively benefiting customers and improving system reliability.

Safety & Security

This project increases the safety of the PNM personnel and crews working around not in use conductors and provides a more accurate DGIS depicting the electrical grid.

Technology Advancements

## Project No: 60002442 Not in Service Conductors-WFF

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 80,977 | - | - | - | - | - | - | 80,977 |
| 120: Overtime-General | 8,498 | - | - | - | - | - | - | 8,498 |
| 350: Material Issues-Major | 306,285 | - | - | - | - | - | - | 306,285 |
| 370: Outside Services | 2,901,663 | 39,855 | 39,855 | 39,855 | 39,855 | 39,855 | 39,855 | 3,140,795 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 54,264 | - | - | - | - | - | - | 54,264 |
| 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 | 6,750 | - | - | - | - | - | - | 6,750 |
| 914: Pension and Benefits | 19,795 | - | - | - | - | - | - | 19,795 |
| 915: Injuries and Damages | 7,799 | - | - | - | - | - | - | 7,799 |
| 921: Stores Load | 23,359 | - | - | - | - | - | - | 23,359 |
| 922: Minor Material Load | 32,775 | - | - | - | - | - | - | 32,775 |
| 925: E&S Loads | 301,631 | 2,591 | 2,591 | 2,591 | 2,591 | 2,591 | 2,591 | 317,174 |
| 926: A&G Loads | 161,665 | 2,072 | 2,072 | 2,072 | 2,072 | 2,072 | 2,072 | 174,100 |
| 928: AFUDC Debt | 11,879 | 181 | 284 | 388 | 492 | 596 | 701 | 14,521 |
| 929: AFUDC Equity | 18,418 | 193 | 303 | 413 | 524 | 635 | 748 | 21,233 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,492,626) | - | - | - | - | - | (306,524) | (2,799,149) |
| 825: Closing Cost of Removal | (1,349,695) | - | - | - | - | - | (59,482) | (1,409,176) |
| Project Net | 93,438 | 44,892 | 45,105 | 45,319 | 45,534 | 45,750 | (320,038) | - |

## Project No: 60002442 Not in Service Conductors-WFF

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 80,977 | - | - | - | - | - | - |
| 120: Overtime-General | 8,498 | - | - | - | - | - | - |
| 350: Material Issues-Major | 306,285 | - | - | - | - | - | - |
| 370: Outside Services | 3,140,795 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 54,264 | - | - | - | - | - | - |
| 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 | 6,750 | - | - | - | - | - | - |
| 914: Pension and Benefits | 19,795 | - | - | - | - | - | - |
| 915: Injuries and Damages | 7,799 | - | - | - | - | - | - |
| 921: Stores Load | 23,359 | - | - | - | - | - | - |
| 922: Minor Material Load | 32,775 | - | - | - | - | - | - |
| 925: E&S Loads | 317,174 | - | - | - | - | - | - |
| 926: A&G Loads | 174,100 | - | - | - | - | - | - |
| 928: AFUDC Debt | 14,521 | - | - | - | - | - | - |
| 929: AFUDC Equity | 21,233 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,799,149) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (1,409,176) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002442 Not in Service Conductors-WFF

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 80,977 |
| 120: Overtime-General | - | - | - | 8,498 |
| 350: Material Issues-Major | - | - | - | 306,285 |
| 370: Outside Services | - | - | - | 3,140,795 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 54,264 |
| 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 | - | - | - | 6,750 |
| 914: Pension and Benefits | - | - | - | 19,795 |
| 915: Injuries and Damages | - | - | - | 7,799 |
| 921: Stores Load | - | - | - | 23,359 |
| 922: Minor Material Load | - | - | - | 32,775 |
| 925: E&S Loads | - | - | - | 317,174 |
| 926: A&G Loads | - | - | - | 174,100 |
| 928: AFUDC Debt | - | - | - | 14,521 |
| 929: AFUDC Equity | - | - | - | 21,233 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (2,799,149) |
| 825: Closing Cost of Removal | - | - | - | (1,409,176) |
| Project Net | - | - | - | - |

## Project No: 60002442 Not in Service Conductors-WFF

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 80,977 | - | - | - | 80,977 | - | - | - |
| 120: Overtime-General | 8,498 | - | - | - | 8,498 | - | - | - |
| 350: Material Issues-Major | 306,285 | - | - | - | 306,285 | - | - | - |
| 370: Outside Services | 3,140,795 | - | - | - | 3,140,795 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 54,264 | - | - | - | 54,264 | - | - | - |
| 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 | 6,750 | - | - | - | 6,750 | - | - | - |
| 914: Pension and Benefits | 19,795 | - | - | - | 19,795 | - | - | - |
| 915: Injuries and Damages | 7,799 | - | - | - | 7,799 | - | - | - |
| 921: Stores Load | 23,359 | - | - | - | 23,359 | - | - | - |
| 922: Minor Material Load | 32,775 | - | - | - | 32,775 | - | - | - |
| 925: E&S Loads | 317,174 | - | - | - | 317,174 | - | - | - |
| 926: A&G Loads | 174,100 | - | - | - | 174,100 | - | - | - |
| 928: AFUDC Debt | 14,521 | - | - | - | 14,521 | - | - | - |
| 929: AFUDC Equity | 21,233 | - | - | - | 21,233 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,799,149) | - | - | - | (2,799,149) | - | - | - |
| 825: Closing Cost of Removal | (1,409,176) | - | - | - | (1,409,176) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60002442 Not in Service Conductors-WFF

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 80,977 |
| 120: Overtime-General | - | - | - | - | - | - | 8,498 |
| 350: Material Issues-Major | - | - | - | - | - | - | 306,285 |
| 370: Outside Services | - | - | - | - | - | - | 3,140,795 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 54,264 |
| 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 | - | - | - | - | - | - | 6,750 |
| 914: Pension and Benefits | - | - | - | - | - | - | 19,795 |
| 915: Injuries and Damages | - | - | - | - | - | - | 7,799 |
| 921: Stores Load | - | - | - | - | - | - | 23,359 |
| 922: Minor Material Load | - | - | - | - | - | - | 32,775 |
| 925: E&S Loads | - | - | - | - | - | - | 317,174 |
| 926: A&G Loads | - | - | - | - | - | - | 174,100 |
| 928: AFUDC Debt | - | - | - | - | - | - | 14,521 |
| 929: AFUDC Equity | - | - | - | - | - | - | 21,233 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (2,799,149) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (1,409,176) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002824 Dist Substation Ground Replacements

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

County % Bernalillo 100%

Estimated Start Date 11/1/2024

Estimated Completion Date 8/30/2026

Description

Station grounding has been compromised by vandalism and theft, creating safety and reliability risks. This project will repair or replace stolen or damaged grounding equipment in accordance with PNM specifications including upgrades to bring affected grounding systems up to current company standards. Proper grounding is essential to protect employees, the public, and equipment from hazardous conditions. Without these repairs, compromised grounding could increase the risk of personnel injury, equipment damage or failure, and service disruptions. Addressing these deficiencies will reduce associated reliability and regulatory risks.

**Project No:** **60002824** **Dist Substation Ground Replacements**

Project Need Justification

Substation equipment grounding is vital for public and employee safety and proper operation of equipment. This grounding must be replaced in the event it is stolen or vandalized.

**Project No:** **60002824** **Dist Substation Ground Replacements**

Project Alternatives

At this time, there are no alternatives to consider in respect to repairing or replacing station grounding. A station cannot be functional without equipment grounding in place.

**Project No:** **60002824** **Dist Substation Ground Replacements**

| | |
|---|---|
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |

**Project No:** **60002824** **Dist Substation Ground Replacements**

| | |
|---|---|
| Customer Benefit | If these projects are not completed, affected substations will not be able to remain in service, reducing PNM's ability to meet electricity demand and potentially resulting in widespread service interruptions. Replacing the compromised grounding systems allows these substations to remain operational and supports PNM's ability to provide safe, reliable electric service to customers. |

**Project No:** **60002824** **Dist Substation Ground Replacements**

Primary Value Driver Safety & Security

Compliance

Customer Delivery

Energy Transition

**Project No:** **60002824** **Dist Substation Ground Replacements**

General Services

Reliability & Resiliency

Safety & Security

Proper substation equipment grounding is essential for public and employee safety as well as correct operation of protective equipment.

Technology Advancements

## Project No: 60002824 Dist Substation Ground Replacements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 154,262 | - | - | - | - | - | - | 154,262 |
| 120: Overtime-General | 17,756 | - | - | - | - | - | - | 17,756 |
| 350: Material Issues-Major | 30,674 | - | - | - | - | - | - | 30,674 |
| 370: Outside Services | 51,689 | - | - | - | - | - | - | 51,689 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 67,919 | - | - | - | - | - | - | 67,919 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 13,346 | - | - | - | - | - | - | 13,346 |
| 914: Pension and Benefits | 28,677 | - | - | - | - | - | - | 28,677 |
| 915: Injuries and Damages | 34,564 | - | - | - | - | - | - | 34,564 |
| 921: Stores Load | 172 | - | - | - | - | - | - | 172 |
| 922: Minor Material Load | 2,273 | - | - | - | - | - | - | 2,273 |
| 925: E&S Loads | 25,339 | - | - | - | - | - | - | 25,339 |
| 926: A&G Loads | 15,241 | - | - | - | - | - | - | 15,241 |
| 928: AFUDC Debt | 7,582 | - | - | - | - | - | - | 7,582 |
| 929: AFUDC Equity | 5,000 | - | - | - | - | - | - | 5,000 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (415,295) | (59,514) | - | - | - | - | - | (474,809) |
| 825: Closing Cost of Removal | - | 20,315 | - | - | - | - | - | 20,315 |
| Project Net | 39,199 | (39,199) | - | - | - | - | - | - |

**Project No:** **60002824** **Dist Substation Ground Replacements**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 154,262 | - | - | - | - | - | - |
| 120: Overtime-General | 17,756 | - | - | - | - | - | - |
| 350: Material Issues-Major | 30,674 | - | - | - | - | - | - |
| 370: Outside Services | 51,689 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 67,919 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 13,346 | - | - | - | - | - | - |
| 914: Pension and Benefits | 28,677 | - | - | - | - | - | - |
| 915: Injuries and Damages | 34,564 | - | - | - | - | - | - |
| 921: Stores Load | 172 | - | - | - | - | - | - |
| 922: Minor Material Load | 2,273 | - | - | - | - | - | - |
| 925: E&S Loads | 25,339 | - | - | - | - | - | - |
| 926: A&G Loads | 15,241 | - | - | - | - | - | - |
| 928: AFUDC Debt | 7,582 | - | - | - | - | - | - |
| 929: AFUDC Equity | 5,000 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (474,809) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | 20,315 | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002824 Dist Substation Ground Replacements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 154,262 |
| 120: Overtime-General | - | - | - | 17,756 |
| 350: Material Issues-Major | - | - | - | 30,674 |
| 370: Outside Services | - | - | - | 51,689 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 67,919 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 13,346 |
| 914: Pension and Benefits | - | - | - | 28,677 |
| 915: Injuries and Damages | - | - | - | 34,564 |
| 921: Stores Load | - | - | - | 172 |
| 922: Minor Material Load | - | - | - | 2,273 |
| 925: E&S Loads | - | - | - | 25,339 |
| 926: A&G Loads | - | - | - | 15,241 |
| 928: AFUDC Debt | - | - | - | 7,582 |
| 929: AFUDC Equity | - | - | - | 5,000 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (474,809) |
| 825: Closing Cost of Removal | - | - | - | 20,315 |
| Project Net | - | - | - | - |

## Project No: 60002824 Dist Substation Ground Replacements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 154,262 | - | - | - | 154,262 | - | - | - |
| 120: Overtime-General | 17,756 | - | - | - | 17,756 | - | - | - |
| 350: Material Issues-Major | 30,674 | - | - | - | 30,674 | - | - | - |
| 370: Outside Services | 51,689 | - | - | - | 51,689 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 67,919 | - | - | - | 67,919 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 13,346 | - | - | - | 13,346 | - | - | - |
| 914: Pension and Benefits | 28,677 | - | - | - | 28,677 | - | - | - |
| 915: Injuries and Damages | 34,564 | - | - | - | 34,564 | - | - | - |
| 921: Stores Load | 172 | - | - | - | 172 | - | - | - |
| 922: Minor Material Load | 2,273 | - | - | - | 2,273 | - | - | - |
| 925: E&S Loads | 25,339 | - | - | - | 25,339 | - | - | - |
| 926: A&G Loads | 15,241 | - | - | - | 15,241 | - | - | - |
| 928: AFUDC Debt | 7,582 | - | - | - | 7,582 | - | - | - |
| 929: AFUDC Equity | 5,000 | - | - | - | 5,000 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (474,809) | - | - | - | (474,809) | - | - | - |
| 825: Closing Cost of Removal | 20,315 | - | - | - | 20,315 | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60002824 Dist Substation Ground Replacements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 154,262 |
| 120: Overtime-General | - | - | - | - | - | - | 17,756 |
| 350: Material Issues-Major | - | - | - | - | - | - | 30,674 |
| 370: Outside Services | - | - | - | - | - | - | 51,689 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 67,919 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 13,346 |
| 914: Pension and Benefits | - | - | - | - | - | - | 28,677 |
| 915: Injuries and Damages | - | - | - | - | - | - | 34,564 |
| 921: Stores Load | - | - | - | - | - | - | 172 |
| 922: Minor Material Load | - | - | - | - | - | - | 2,273 |
| 925: E&S Loads | - | - | - | - | - | - | 25,339 |
| 926: A&G Loads | - | - | - | - | - | - | 15,241 |
| 928: AFUDC Debt | - | - | - | - | - | - | 7,582 |
| 929: AFUDC Equity | - | - | - | - | - | - | 5,000 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (474,809) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | 20,315 |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60002920 Outage Contingency Plan Impr-WFF

| | | |
|---|---|---|
| Company: | 001 | Electric Services |
| Location: | 600 | Electric System |

**Project Information**

| | | | |
|---|---|---|---|
| County % | Sandoval | 100% | |

Estimated Start Date 1/1/2020

Estimated Completion Date 12/31/2026

Description

This project will install a new feeder tie between North Bernalillo Feeder 11 and Algodones Feeder 21, make system improvements to Algodones Feeder 21, relocate an existing voltage regulator on Avila Feeder 11, and perform phase balancing and install new SCADA-Mate switches on Avila Feeder 12. All work included in this project will eliminate a 'Do Not Restore' statement from the Avila Substation outage plan to avoid dropping customer load.

## Project No: 60002920 Outage Contingency Plan Impr-WFF

Project Need Justification

The purpose of this project is to eliminate the 'Do Not Restore' statements in the Avila Substation Outage plan to avoid dropping customer load during an outage of Avila Substation. The project achieves this purpose through several system changes including improving the voltage on Avila Feeder 11 during normal conditions by relocating an existing voltage regulator to increase voltages to within ANSI C84.1 Range A per the Distribution Planning criteria, improving phase imbalance on Avila Feeder 12 during normal peak load conditions, and adding Scada Mate switches to facilitate load transfers associated with an outage of the Avila Substation transformer due to maintenance or equipment failure. A new feeder tie and reconductor is also required to transfer North Bernalillo Feeder 11 to Algodones Feeder 21 to reduce the North Bernalillo Substation transformer load while it is providing backup support during an Avila Substation outage.

**Project No:** **60002920** **Outage Contingency Plan Impr-WFF**

Project Alternatives

The only alternative is to do nothing. Doing nothing means PNM will not be able to provide 100 percent backup support for affected feeders during a substation outage under peak load conditions. When a "Do not restore" is issued to a feeder it means the feeder is at capacity, is subject to overload, and cannot be used to backup another feeder during an outage. In addition, if the affected feeder experiences an outage, its load cannot be transferred, and the underlying problem needs to be fixed before the feeder can be restored.

**Project No:** **60002920** **Outage Contingency Plan Impr-WFF**

| | |
|---|---|
| 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:** **60002920** **Outage Contingency Plan Impr-WFF**

| | |
|---|---|
| Customer Benefit | Improves reliability for customers served by Avila substation and Algodones substation by proactively replacing and upgrading aging infrastructure, transferring load to reduce overload issues on the feeders, reducing the frequency and duration of outages, and improving the long-term performance of the distribution system by eliminating the "Do Not Restore" on the feeders. |

## Project No: 60002920 Outage Contingency Plan Impr-WFF

| | |
|---|---|
| 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:** **60002920** **Outage Contingency Plan Impr-WFF**

General Services

Reliability & Resiliency

This project allows for the transfer of load to other feeders during a feeder outage or substation outage in order to restore power quicker when needed. It enhances the current conditions to meet current standards with upgrades and replacements.

Safety & Security

Technology Advancements

## Project No: 60002920 Outage Contingency Plan Impr-WFF

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 45,769 | - | - | - | - | - | - | 45,769 |
| 120: Overtime-General | 13,528 | - | - | - | - | - | - | 13,528 |
| 350: Material Issues-Major | 143,596 | - | - | - | - | - | - | 143,596 |
| 370: Outside Services | 101,924 | - | - | - | - | - | - | 101,924 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 22,758 | - | - | - | - | - | - | 22,758 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,458 | - | - | - | - | - | - | 4,458 |
| 914: Pension and Benefits | 13,075 | - | - | - | - | - | - | 13,075 |
| 915: Injuries and Damages | 4,850 | - | - | - | - | - | - | 4,850 |
| 921: Stores Load | 4,669 | - | - | - | - | - | - | 4,669 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 35,221 | - | - | - | - | - | - | 35,221 |
| 926: A&G Loads | 9,702 | - | - | - | - | - | - | 9,702 |
| 928: AFUDC Debt | 64,382 | 1,321 | - | - | - | - | - | 65,703 |
| 929: AFUDC Equity | 71,679 | 1,408 | - | - | - | - | - | 73,087 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (538,340) | - | - | - | - | - | (538,340) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 535,611 | (535,611) | - | - | - | - | - | 0 |

## Project No: 60002920 Outage Contingency Plan Impr-WFF

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 45,769 | - | - | - | - | - | - |
| 120: Overtime-General | 13,528 | - | - | - | - | - | - |
| 350: Material Issues-Major | 143,596 | - | - | - | - | - | - |
| 370: Outside Services | 101,924 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 22,758 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,458 | - | - | - | - | - | - |
| 914: Pension and Benefits | 13,075 | - | - | - | - | - | - |
| 915: Injuries and Damages | 4,850 | - | - | - | - | - | - |
| 921: Stores Load | 4,669 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 35,221 | - | - | - | - | - | - |
| 926: A&G Loads | 9,702 | - | - | - | - | - | - |
| 928: AFUDC Debt | 65,703 | - | - | - | - | - | - |
| 929: AFUDC Equity | 73,087 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (538,340) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - |

## Project No: 60002920 Outage Contingency Plan Impr-WFF

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 45,769 |
| 120: Overtime-General | - | - | - | 13,528 |
| 350: Material Issues-Major | - | - | - | 143,596 |
| 370: Outside Services | - | - | - | 101,924 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 22,758 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 4,458 |
| 914: Pension and Benefits | - | - | - | 13,075 |
| 915: Injuries and Damages | - | - | - | 4,850 |
| 921: Stores Load | - | - | - | 4,669 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 35,221 |
| 926: A&G Loads | - | - | - | 9,702 |
| 928: AFUDC Debt | - | - | - | 65,703 |
| 929: AFUDC Equity | - | - | - | 73,087 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (538,340) |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | - | - | - | 0 |

## Project No: 60002920 Outage Contingency Plan Impr-WFF

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 45,769 | - | - | - | 45,769 | - | - | - |
| 120: Overtime-General | 13,528 | - | - | - | 13,528 | - | - | - |
| 350: Material Issues-Major | 143,596 | - | - | - | 143,596 | - | - | - |
| 370: Outside Services | 101,924 | - | - | - | 101,924 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 22,758 | - | - | - | 22,758 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,458 | - | - | - | 4,458 | - | - | - |
| 914: Pension and Benefits | 13,075 | - | - | - | 13,075 | - | - | - |
| 915: Injuries and Damages | 4,850 | - | - | - | 4,850 | - | - | - |
| 921: Stores Load | 4,669 | - | - | - | 4,669 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 35,221 | - | - | - | 35,221 | - | - | - |
| 926: A&G Loads | 9,702 | - | - | - | 9,702 | - | - | - |
| 928: AFUDC Debt | 65,703 | - | - | - | 65,703 | - | - | - |
| 929: AFUDC Equity | 73,087 | - | - | - | 73,087 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (538,340) | - | - | - | (538,340) | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | 0 | - | - | - |

## Project No: 60002920 Outage Contingency Plan Impr-WFF

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 45,769 |
| 120: Overtime-General | - | - | - | - | - | - | 13,528 |
| 350: Material Issues-Major | - | - | - | - | - | - | 143,596 |
| 370: Outside Services | - | - | - | - | - | - | 101,924 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 22,758 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 4,458 |
| 914: Pension and Benefits | - | - | - | - | - | - | 13,075 |
| 915: Injuries and Damages | - | - | - | - | - | - | 4,850 |
| 921: Stores Load | - | - | - | - | - | - | 4,669 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | 35,221 |
| 926: A&G Loads | - | - | - | - | - | - | 9,702 |
| 928: AFUDC Debt | - | - | - | - | - | - | 65,703 |
| 929: AFUDC Equity | - | - | - | - | - | - | 73,087 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (538,340) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 0 |

**Project No:** **60003520** **Relay Distribution IA**

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2020

Estimated Completion Date 12/31/2032

Description

This project covers funding for capital improvements to replace distribution protection system components.

## Project No: 60003520 Relay Distribution IA

Project Need Justification

Protective relays and associated equipment protect PNM equipment, PNM personnel and the general public. Obsolete relays and associated equipment are frequently no longer supported by manufacturers and cannot be repaired. Missing relay equipment or nonfunctioning protective schemes place the reliability of PNM's grid and the safety of the public and PNM personnel at risk.

**Project No:** **60003520** **Relay Distribution IA**

Project Alternatives

The only alternative is to do nothing. However, if these capital projects are not implemented, the safety of PNM equipment, PNM personnel and the general public will be jeopardized.

**Project No:** **60003520** **Relay Distribution IA**

| | |
|---|---|
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |

**Project No:** **60003520** **Relay Distribution IA**

| | |
|---|---|
| Customer Benefit | Customer benefit is derived from better system protection and increased system reliability as obsolete relays and schemes are replaced. |

**Project No:** **60003520** **Relay Distribution IA**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **60003520** **Relay Distribution IA**

General Services

Reliability & Resiliency

The improvements derived from the replacement of obsolete relays creates a better performing protection system, and increased overall reliability.

Safety & Security

Technology Advancements

## Project No: 60003520 Relay Distribution IA

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 30,121 | 943 | 943 | 943 | 943 | 943 | 943 | 35,780 |
| 120: Overtime-General | 9,111 | - | - | - | - | - | - | 9,111 |
| 350: Material Issues-Major | 20,287 | 1,857 | 4,658 | 1,857 | 1,857 | 1,857 | 1,857 | 34,232 |
| 370: Outside Services | 1,985 | - | - | - | - | - | - | 1,985 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,916 | - | - | - | - | - | - | 10,916 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 2,892 | 72 | 72 | 72 | 72 | 72 | 72 | 3,323 |
| 914: Pension and Benefits | 8,631 | 176 | 176 | 176 | 176 | 176 | 176 | 9,684 |
| 915: Injuries and Damages | 3,766 | 187 | 187 | 187 | 187 | 187 | 187 | 4,887 |
| 921: Stores Load | 163 | 423 | 1,062 | 423 | 423 | 423 | 423 | 3,341 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 10,566 | 210 | 392 | 210 | 210 | 210 | 210 | 12,009 |
| 926: A&G Loads | 2,664 | 146 | 291 | 146 | 146 | 146 | 146 | 3,684 |
| 928: AFUDC Debt | 582 | 5 | 18 | 32 | 30 | 40 | 49 | 756 |
| 929: AFUDC Equity | 620 | 5 | 19 | 34 | 32 | 42 | 52 | 805 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (81,415) | - | - | (4,444) | - | - | (21,813) | (107,672) |
| 825: Closing Cost of Removal | (20,890) | - | - | (332) | - | - | (1,617) | (22,840) |
| Project Net | - | 4,023 | 7,818 | (697) | 4,076 | 4,095 | (19,316) | (0) |

## Project No: 60003520 Relay Distribution IA

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 35,780 | 957 | 957 | 957 | 957 | 957 | 957 |
| 120: Overtime-General | 9,111 | - | - | - | - | - | - |
| 350: Material Issues-Major | 34,232 | 1,885 | 1,885 | 1,885 | 1,885 | 1,885 | 1,885 |
| 370: Outside Services | 1,985 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,916 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,323 | 79 | 79 | 79 | 79 | 79 | 79 |
| 914: Pension and Benefits | 9,684 | 182 | 182 | 182 | 182 | 182 | 182 |
| 915: Injuries and Damages | 4,887 | 181 | 181 | 181 | 181 | 181 | 181 |
| 921: Stores Load | 3,341 | 316 | 316 | 316 | 316 | 316 | 316 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 12,009 | 230 | 230 | 230 | 230 | 230 | 230 |
| 926: A&G Loads | 3,684 | 107 | 107 | 107 | 107 | 107 | 107 |
| 928: AFUDC Debt | 756 | 4 | 12 | 20 | 21 | 30 | 38 |
| 929: AFUDC Equity | 805 | 6 | 17 | 28 | 29 | 40 | 51 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (107,672) | - | - | (3,321) | - | - | (5,682) |
| 825: Closing Cost of Removal | (22,840) | - | - | (248) | - | - | (422) |
| Project Net | (0) | 3,946 | 3,966 | 416 | 3,987 | 4,006 | (2,078) |

## Project No: 60003520 Relay Distribution IA

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 957 | 957 | 957 | 44,393 |
| 120: Overtime-General | - | - | - | 9,111 |
| 350: Material Issues-Major | 1,885 | 1,885 | 1,885 | 51,197 |
| 370: Outside Services | - | - | - | 1,985 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 10,916 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 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 | 79 | 79 | 4,035 |
| 914: Pension and Benefits | 182 | 182 | 182 | 11,320 |
| 915: Injuries and Damages | 181 | 181 | 181 | 6,520 |
| 921: Stores Load | 316 | 316 | 316 | 6,186 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 230 | 230 | 230 | 14,079 |
| 926: A&G Loads | 107 | 107 | 107 | 4,643 |
| 928: AFUDC Debt | 34 | 42 | 50 | 1,007 |
| 929: AFUDC Equity | 45 | 57 | 68 | 1,145 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | (7,362) | (124,037) |
| 825: Closing Cost of Removal | - | - | (543) | (24,052) |
| Project Net | 4,016 | 4,035 | (3,850) | 18,444 |

## Project No: 60003520 Relay Distribution IA

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 44,393 | 957 | 957 | 957 | 47,264 | 808 | 808 | 808 |
| 120: Overtime-General | 9,111 | - | - | - | 9,111 | - | - | - |
| 350: Material Issues-Major | 51,197 | 1,885 | 1,885 | 1,885 | 56,852 | 2,232 | 2,232 | 2,232 |
| 370: Outside Services | 1,985 | - | - | - | 1,985 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 10,916 | - | - | - | 10,916 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 4,035 | 79 | 79 | 79 | 4,272 | 67 | 67 | 67 |
| 914: Pension and Benefits | 11,320 | 182 | 182 | 182 | 11,865 | 153 | 153 | 153 |
| 915: Injuries and Damages | 6,520 | 181 | 181 | 181 | 7,064 | 153 | 153 | 153 |
| 921: Stores Load | 6,186 | 316 | 316 | 316 | 7,134 | 374 | 374 | 374 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 14,079 | 230 | 230 | 230 | 14,768 | 239 | 239 | 239 |
| 926: A&G Loads | 4,643 | 107 | 107 | 107 | 4,963 | 107 | 107 | 107 |
| 928: AFUDC Debt | 1,007 | 42 | 51 | 59 | 1,159 | 4 | 13 | 21 |
| 929: AFUDC Equity | 1,145 | 57 | 69 | 80 | 1,350 | 7 | 20 | 33 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (124,037) | - | - | (28,518) | (152,556) | - | - | (3,489) |
| 825: Closing Cost of Removal | (24,052) | - | - | (2,094) | (26,147) | - | - | (260) |
| Project Net | 18,444 | 4,036 | 4,056 | (26,537) | (0) | 4,144 | 4,166 | 438 |

## Project No: 60003520 Relay Distribution IA

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 808 | 808 | 808 | 808 | 808 | 808 | 54,536 |
| 120: Overtime-General | - | - | - | - | - | - | 9,111 |
| 350: Material Issues-Major | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 2,232 | 76,940 |
| 370: Outside Services | - | - | - | - | - | - | 1,985 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 10,916 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 67 | 67 | 67 | 67 | 67 | 67 | 4,872 |
| 914: Pension and Benefits | 153 | 153 | 153 | 153 | 153 | 153 | 13,246 |
| 915: Injuries and Damages | 153 | 153 | 153 | 153 | 153 | 153 | 8,443 |
| 921: Stores Load | 374 | 374 | 374 | 374 | 374 | 374 | 10,502 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 239 | 239 | 239 | 239 | 239 | 239 | 16,919 |
| 926: A&G Loads | 107 | 107 | 107 | 107 | 107 | 107 | 5,923 |
| 928: AFUDC Debt | 22 | 30 | 39 | 35 | 43 | 52 | 1,418 |
| 929: AFUDC Equity | 35 | 48 | 62 | 55 | 68 | 82 | 1,759 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (5,972) | - | - | (7,740) | (169,757) |
| 825: Closing Cost of Removal | - | - | (443) | - | - | (570) | (27,420) |
| Project Net | 4,190 | 4,212 | (2,181) | 4,222 | 4,245 | (4,044) | 19,392 |

## Project No: 60004225 Distribution Pole Replcmt Prog 2025

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

| County % | | |
|---|---|---|
| Grant | 92% | |
| Santa Fe | 8% | |

Estimated Start Date 4/1/2025

Estimated Completion Date 12/31/2030

Description

This project is to replace failed sub-transmission (distribution) poles to harden PNM's sub-transmission system against high wind damage in Higher Fire Areas (HFAs) and increase reliability on our 46kV system.

## Project No: 60004225 Distribution Pole Replcmt Prog 2025

Project Need Justification

This project is to replace failed inspected poles through the PNM Osmose program. The Osmose program has classified two different test results, Priority 1 (P1) and Priority 2 (P2). Osmose determined the P1 and P2 definitions. The P1 failures are emergent and need to be replaced immediately. Although P2 failures are not considered emergent, Osmose defines P2 failures as having structural integrity at the time testing, but due to the results of the test, the pole will need to be replaced in the near future, or it will become a P1. This funding project is to replace the failed P2 sub-transmission poles. Many of the failed poles are within in HFAs and replacing the older wood poles and their assemblies increases the strength of the pole and transmission line. Having newer and stronger poles allows PNM to have a thorough understanding of the system and impacts the decision on the implementation of a Public Safety Public Shutoff (PSPS). In addition to increasing public safety, this program looks to increase reliability by replacing the original poles on 46kV transmission lines. The direction for this funding project is to focus on initial list of the failed HFA areas and the ZB line poles.

**Project No:** **60004225** **Distribution 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:** **60004225** **Distribution 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, internal and external labor, they used a 10% contingency. |

**Project No:** **60004225** **Distribution Pole Replcmt Prog 2025**

Customer Benefit

This project is to replace the failed P2 sub-transmission (distribution) poles. Many of the failed poles are within in HFAs and replacing the older wood poles and their assemblies increases the strength of the pole and sub-transmission line. Having newer and stronger poles allows PNM to have a thorough understanding of the system and impacts the decision on the implementation of a Public Safety Power Shutoff (PSPS). In addition to increasing public safety, this program looks to increase reliability by replacing the original poles on 46kV sub-transmission lines.

**Project No:** **60004225** **Distribution Pole Replcmt Prog 2025**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **60004225** **Distribution Pole Replcmt Prog 2025**

General Services

Reliability & Resiliency

By replacing aging sub-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 sub-transmission network.

Safety & Security

Technology Advancements

## Project No: 60004225 Distribution Pole Replcmt Prog 2025

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 11,795 | 2,346 | 2,346 | 2,346 | 2,346 | 2,346 | 2,346 | 25,873 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | 13,350 | 13,350 | 13,350 | 13,350 | 13,350 | 13,350 | 80,097 |
| 370: Outside Services | 353,315 | 40,672 | 40,672 | 40,672 | 40,672 | 40,672 | 40,672 | 597,345 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 858 | - | - | - | - | - | - | 858 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 911 | 179 | 179 | 179 | 179 | 179 | 179 | 1,984 |
| 914: Pension and Benefits | 2,057 | 437 | 437 | 437 | 437 | 437 | 437 | 4,677 |
| 915: Injuries and Damages | 2,361 | 465 | 465 | 465 | 465 | 465 | 465 | 5,149 |
| 921: Stores Load | 1,036 | 3,042 | 3,042 | 3,042 | 3,042 | 3,042 | 3,042 | 19,288 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 24,112 | 3,734 | 3,734 | 3,734 | 3,734 | 3,734 | 3,734 | 46,516 |
| 926: A&G Loads | 20,884 | 2,931 | 2,931 | 2,931 | 2,931 | 2,931 | 2,931 | 38,471 |
| 928: AFUDC Debt | 2,884 | 1,017 | 1,176 | 1,336 | 1,497 | 1,658 | 1,821 | 11,387 |
| 929: AFUDC Equity | 2,410 | 1,083 | 1,253 | 1,424 | 1,595 | 1,767 | 1,940 | 11,473 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (773,181) | (773,181) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (69,938) | (69,938) |
| Project Net | 422,624 | 69,255 | 69,583 | 69,914 | 70,246 | 70,580 | (772,203) | (0) |

**Project No:** **60004225** **Distribution Pole Replcmt Prog 2025**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 25,873 | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 80,097 | - | - | - | - | - | - |
| 370: Outside Services | 597,345 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 858 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,984 | - | - | - | - | - | - |
| 914: Pension and Benefits | 4,677 | - | - | - | - | - | - |
| 915: Injuries and Damages | 5,149 | - | - | - | - | - | - |
| 921: Stores Load | 19,288 | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 46,516 | - | - | - | - | - | - |
| 926: A&G Loads | 38,471 | - | - | - | - | - | - |
| 928: AFUDC Debt | 11,387 | - | - | - | - | - | - |
| 929: AFUDC Equity | 11,473 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (773,181) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (69,938) | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 60004225 Distribution Pole Replcmt Prog 2025

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 25,873 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | 80,097 |
| 370: Outside Services | - | - | - | 597,345 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 858 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 1,984 |
| 914: Pension and Benefits | - | - | - | 4,677 |
| 915: Injuries and Damages | - | - | - | 5,149 |
| 921: Stores Load | - | - | - | 19,288 |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | - | - | - | 46,516 |
| 926: A&G Loads | - | - | - | 38,471 |
| 928: AFUDC Debt | - | - | - | 11,387 |
| 929: AFUDC Equity | - | - | - | 11,473 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (773,181) |
| 825: Closing Cost of Removal | - | - | - | (69,938) |
| Project Net | - | - | - | (0) |

## Project No: 60004225 Distribution Pole Replcmt Prog 2025

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 25,873 | - | 250,000 | 250,000 | 525,873 | 250,000 | 250,000 | 250,000 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 80,097 | - | - | - | 80,097 | - | - | - |
| 370: Outside Services | 597,345 | - | - | - | 597,345 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 858 | - | - | - | 858 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,984 | - | 20,650 | 20,650 | 43,284 | 20,650 | 20,650 | 20,650 |
| 914: Pension and Benefits | 4,677 | - | 47,475 | 47,475 | 99,627 | 47,475 | 47,475 | 47,475 |
| 915: Injuries and Damages | 5,149 | - | 47,400 | 47,400 | 99,949 | 47,400 | 47,400 | 47,400 |
| 921: Stores Load | 19,288 | - | - | - | 19,288 | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 46,516 | - | 25,587 | 25,587 | 97,690 | 25,587 | 25,587 | 25,587 |
| 926: A&G Loads | 38,471 | - | 9,375 | 9,375 | 57,221 | 8,775 | 8,775 | 8,775 |
| 928: AFUDC Debt | 11,387 | - | 414 | 1,245 | 13,047 | 2,039 | 2,862 | 3,689 |
| 929: AFUDC Equity | 11,473 | - | 561 | 1,685 | 13,718 | 3,217 | 4,515 | 5,821 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (773,181) | - | - | - | (773,181) | - | - | - |
| 825: Closing Cost of Removal | (69,938) | - | - | - | (69,938) | - | - | - |
| Project Net | (0) | - | 401,462 | 403,417 | 804,879 | 405,143 | 407,264 | 409,397 |

**Project No:** **60004225** **Distribution Pole Replcmt Prog 2025**

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 2,775,873 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | 80,097 |
| 370: Outside Services | - | - | - | - | - | - | 597,345 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 858 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 20,650 | 20,650 | 20,650 | 20,650 | 20,650 | 20,650 | 229,134 |
| 914: Pension and Benefits | 47,475 | 47,475 | 47,475 | 47,475 | 47,475 | 47,475 | 526,902 |
| 915: Injuries and Damages | 47,400 | 47,400 | 47,400 | 47,400 | 47,400 | 47,400 | 526,549 |
| 921: Stores Load | - | - | - | - | - | - | 19,288 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 25,587 | 25,587 | 25,587 | 25,587 | 25,587 | 25,587 | 327,971 |
| 926: A&G Loads | 8,775 | 8,775 | 8,775 | 8,775 | 8,775 | 8,775 | 136,196 |
| 928: AFUDC Debt | 4,521 | 5,358 | 6,200 | 7,046 | 7,897 | 8,752 | 61,411 |
| 929: AFUDC Equity | 7,133 | 8,454 | 9,781 | 11,116 | 12,459 | 13,809 | 90,023 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (773,181) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (69,938) |
| Project Net | 411,542 | 413,698 | 415,867 | 418,048 | 420,242 | 422,448 | 4,528,528 |

## Project No: 60005327 Northern Osmose Pole Replacements

Company: 001 Electric Services
Location: 600 Electric System

**Project Information**

County % Santa Fe 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

Replace deteriorated and failed wood distribution poles identified through 2024 OSMOSE inspections within PNM High Fire Areas in the Santa Fe, Las Vegas, and Clayton areas. The project will also replace aging or underperforming equipment and upgrade facilities to current PNM High Fire Area standards. For 2026, PNM is planning to change out approximately 400 poles, and for 2027 PNM is planning to change out approximately 300 poles.

## Project No: 60005327 Northern Osmose Pole Replacements

| | |
|---|---|
| Project Need Justification | OSMOSE inspections have identified deteriorated and failed wood distribution poles requiring replacement within PNM's High Fire Areas. Replacing these poles and associated aging equipment is necessary to address identified asset conditions, reduce the risk of equipment failure and related fire risk, and maintain safe and reliable electric service. |

**Project No:** **60005327** **Northern Osmose Pole Replacements**

| | |
|---|---|
| Project Alternatives | Continue operating and maintaining the existing poles until failure or defer replacement to future years. These alternatives are not recommended because the affected poles have known deterioration, and delaying replacement increases reliability, safety, and wildfire risks. |

**Project No:** **60005327** **Northern Osmose Pole Replacements**

| | |
|---|---|
| Project Estimate Approach | The estimate was developed based on the scope identified from 2024 OSMOSE pole testing within PNM High Fire Areas. Costs include replacement of identified poles and aging equipment, materials, construction, and applicable project support costs. |

**Project No:** **60005327** **Northern Osmose Pole Replacements**

| | |
|---|---|
| Customer Benefit | Customers benefit from increased integrity of PNM's overhead distribution system which leads to greater reliability, resiliency, and public and personnel safety by reducing the potential for outages, equipment damage, and wildfire ignition in High Fire Areas. |

## Project No: 60005327 Northern Osmose Pole Replacements

| | |
|---|---|
| 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:** **60005327** **Northern Osmose Pole Replacements**

General Services

Reliability & Resiliency

Replacement of poles near end of useful life reduce the risk of outages due to failing poles and hardware. Leading to SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) reductions.

Safety & Security

All new poles will be designed and installed to PNM new wildfire standards. This also provides added safety distance for linemen working on these poles. In addition, vegetation management has increased its clearances from vegetation to our facilities.

Technology Advancements

## Project No: 60005327 Northern Osmose Pole Replacements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 81,153 | - | - | - | - | - | - | 81,153 |
| 120: Overtime-General | 1,700 | - | - | - | - | - | - | 1,700 |
| 350: Material Issues-Major | 687,366 | - | - | - | - | - | - | 687,366 |
| 370: Outside Services | 1,850,426 | 688,687 | 688,641 | 687,547 | 327,010 | 58,912 | 1,250 | 4,302,473 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 40,690 | - | - | - | - | - | - | 40,690 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 6,365 | - | - | - | - | - | - | 6,365 |
| 914: Pension and Benefits | 14,517 | - | - | - | - | - | - | 14,517 |
| 915: Injuries and Damages | 16,515 | - | - | - | - | - | - | 16,515 |
| 921: Stores Load | 19,700 | - | - | - | - | - | - | 19,700 |
| 922: Minor Material Load | 50,883 | - | - | - | - | - | - | 50,883 |
| 925: E&S Loads | 180,825 | 44,765 | 44,762 | 44,691 | 21,256 | 3,829 | 81 | 340,208 |
| 926: A&G Loads | 133,622 | 35,812 | 35,809 | 35,752 | 17,005 | 3,063 | 65 | 261,128 |
| 928: AFUDC Debt | 21,316 | 3,505 | 4,937 | 6,560 | 7,293 | 6,655 | 6,513 | 56,779 |
| 929: AFUDC Equity | 16,388 | 3,736 | 5,261 | 6,992 | 7,773 | 7,092 | 6,941 | 54,182 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,743,969) | (142,665) | (66,917) | (243,614) | (474,887) | (102,663) | (2,657,094) | (5,431,808) |
| 825: Closing Cost of Removal | (19,309) | (27,470) | (10,463) | (33,271) | (61,402) | (13,084) | (336,853) | (501,853) |
| Project Net | 1,358,189 | 606,370 | 702,030 | 504,657 | (155,953) | (36,196) | (2,979,098) | (0) |

## Project No: 60005327 Northern Osmose Pole Replacements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 81,153 | - | - | - | - | - | - |
| 120: Overtime-General | 1,700 | - | - | - | - | - | - |
| 350: Material Issues-Major | 687,366 | - | - | - | - | - | - |
| 370: Outside Services | 4,302,473 | 11,904 | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 40,690 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 6,365 | - | - | - | - | - | - |
| 914: Pension and Benefits | 14,517 | - | - | - | - | - | - |
| 915: Injuries and Damages | 16,515 | - | - | - | - | - | - |
| 921: Stores Load | 19,700 | - | - | - | - | - | - |
| 922: Minor Material Load | 50,883 | - | - | - | - | - | - |
| 925: E&S Loads | 340,208 | 833 | - | - | - | - | - |
| 926: A&G Loads | 261,128 | 446 | - | - | - | - | - |
| 928: AFUDC Debt | 56,779 | 14 | - | - | - | - | - |
| 929: AFUDC Equity | 54,182 | 18 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,431,808) | (12,293) | - | - | - | - | - |
| 825: Closing Cost of Removal | (501,853) | (923) | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - |

## Project No: 60005327 Northern Osmose Pole Replacements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 81,153 |
| 120: Overtime-General | - | - | - | 1,700 |
| 350: Material Issues-Major | - | - | - | 687,366 |
| 370: Outside Services | - | - | - | 4,314,377 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 40,690 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 6,365 |
| 914: Pension and Benefits | - | - | - | 14,517 |
| 915: Injuries and Damages | - | - | - | 16,515 |
| 921: Stores Load | - | - | - | 19,700 |
| 922: Minor Material Load | - | - | - | 50,883 |
| 925: E&S Loads | - | - | - | 341,041 |
| 926: A&G Loads | - | - | - | 261,575 |
| 928: AFUDC Debt | - | - | - | 56,793 |
| 929: AFUDC Equity | - | - | - | 54,201 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (5,444,101) |
| 825: Closing Cost of Removal | - | - | - | (502,775) |
| Project Net | - | - | - | (0) |

## Project No: 60005327 Northern Osmose Pole Replacements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 81,153 | - | - | - | 81,153 | - | - | - |
| 120: Overtime-General | 1,700 | - | - | - | 1,700 | - | - | - |
| 350: Material Issues-Major | 687,366 | - | - | - | 687,366 | - | - | - |
| 370: Outside Services | 4,314,377 | - | - | - | 4,314,377 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 40,690 | - | - | - | 40,690 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 6,365 | - | - | - | 6,365 | - | - | - |
| 914: Pension and Benefits | 14,517 | - | - | - | 14,517 | - | - | - |
| 915: Injuries and Damages | 16,515 | - | - | - | 16,515 | - | - | - |
| 921: Stores Load | 19,700 | - | - | - | 19,700 | - | - | - |
| 922: Minor Material Load | 50,883 | - | - | - | 50,883 | - | - | - |
| 925: E&S Loads | 341,041 | - | - | - | 341,041 | - | - | - |
| 926: A&G Loads | 261,575 | - | - | - | 261,575 | - | - | - |
| 928: AFUDC Debt | 56,793 | - | - | - | 56,793 | - | - | - |
| 929: AFUDC Equity | 54,201 | - | - | - | 54,201 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,444,101) | - | - | - | (5,444,101) | - | - | - |
| 825: Closing Cost of Removal | (502,775) | - | - | - | (502,775) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 60005327 Northern Osmose Pole Replacements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 81,153 |
| 120: Overtime-General | - | - | - | - | - | - | 1,700 |
| 350: Material Issues-Major | - | - | - | - | - | - | 687,366 |
| 370: Outside Services | - | - | - | - | - | - | 4,314,377 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 40,690 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 6,365 |
| 914: Pension and Benefits | - | - | - | - | - | - | 14,517 |
| 915: Injuries and Damages | - | - | - | - | - | - | 16,515 |
| 921: Stores Load | - | - | - | - | - | - | 19,700 |
| 922: Minor Material Load | - | - | - | - | - | - | 50,883 |
| 925: E&S Loads | - | - | - | - | - | - | 341,041 |
| 926: A&G Loads | - | - | - | - | - | - | 261,575 |
| 928: AFUDC Debt | - | - | - | - | - | - | 56,793 |
| 929: AFUDC Equity | - | - | - | - | - | - | 54,201 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (5,444,101) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (502,775) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 60005425 Wildfire Mitigation 2025-2026

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 1/1/2025

Estimated Completion Date 12/31/2027

Description

Upgrade PNM distribution facilities within designated High Fire Areas to reduce wildfire risk and improve system performance. Work includes replacing or relocating aging and underperforming protective and sectionalizing devices, installing additional protective devices, and upgrading distribution facilities to meet current PNM High Fire Area standards. It also includes vegetation management that are tied to the installations.

## Project No: 60005425 Wildfire Mitigation 2025-2026

| | |
|---|---|
| Project Need Justification | Aging and outdated protective devices within High Fire Areas are increasingly susceptible to degraded performance and failure, creating potential fire hazards and reliability concerns. Improvements are needed to replace compromised equipment, meet current High Fire Area standards, improve system sectionalization, and reduce restoration times associated with Public Safety Power Shutoff events. |

**Project No:** **60005425 Wildfire Mitigation 2025-2026**

Project Alternatives

Continue operating and maintaining the existing protective and sectionalizing equipment and replace devices as failures occur. This alternative is not recommended because aging and outdated equipment would continue to present increased wildfire, reliability, and extended outage restoration risks within High Fire Areas.

**Project No:** **60005425** **Wildfire Mitigation 2025-2026**

| | |
|---|---|
| Project Estimate Approach | The estimate was developed based on historical costs that included hard bids from our line contractors. The historical costs are from existing projects that included planned system upgrades, protective and sectionalizing device replacements, new device installations, materials, construction, engineering, and associated project support required across the identified High Fire Areas. |

**Project No:** **60005425 Wildfire Mitigation 2025-2026**

| | |
|---|---|
| Customer Benefit | The risk of a wildfire started by PNM powerlines is reduced. The distribution lines in those areas are also hardened, so if a wildfire encroaches on them the impact to customers served from those lines is reduced. |

## Project No: 60005425 Wildfire Mitigation 2025-2026

| | |
|---|---|
| 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: 60005425 Wildfire Mitigation 2025-2026

General Services

Reliability & Resiliency

Improvements will reduce risk of wildfire ignitions but also reduce outages due to system upgrades because PNM is installing more sectionalizing devices that potentially could reduce the size of outages.

Safety & Security

All new poles will be designed and installed to PNM new wildfire standards. This also provides added safety distance for linemen working on these poles. In addition, vegetation management has increased its clearances from vegetation to our facilities.

Technology Advancements

## Project No: 60005425 Wildfire Mitigation 2025-2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 562,032 | - | - | - | - | - | - | 562,032 |
| 120: Overtime-General | 44,988 | - | - | - | - | - | - | 44,988 |
| 350: Material Issues-Major | 2,792,262 | - | 250,000 | 15,324 | 20,987 | - | - | 3,078,573 |
| 370: Outside Services | 2,498,117 | 187,187 | 213,493 | 143,181 | 106,010 | 74,478 | 19,123 | 3,241,589 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 433 | - | - | - | - | - | - | 433 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 431,654 | 5,875 | 5,875 | 1,000 | 875 | 125 | - | 445,404 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 47,024 | - | - | - | - | - | - | 47,024 |
| 914: Pension and Benefits | 103,128 | - | - | - | - | - | - | 103,128 |
| 915: Injuries and Damages | 121,103 | - | - | - | - | - | - | 121,103 |
| 921: Stores Load | 86,232 | - | 56,970 | 3,492 | 4,783 | - | - | 151,477 |
| 922: Minor Material Load | 161,684 | - | - | - | - | - | - | 161,684 |
| 925: E&S Loads | 391,215 | 12,549 | 30,509 | 10,368 | 8,312 | 4,849 | 1,243 | 459,044 |
| 926: A&G Loads | 295,654 | 10,039 | 24,407 | 8,294 | 6,649 | 3,879 | 994 | 349,918 |
| 928: AFUDC Debt | 62,673 | 5,628 | 5,713 | 5,740 | 5,371 | 4,615 | 4,251 | 93,991 |
| 929: AFUDC Equity | 50,086 | 5,998 | 6,089 | 6,118 | 5,724 | 4,918 | 4,531 | 83,463 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,896,934) | (348,024) | (355,839) | (315,029) | (425,125) | (205,731) | (166,761) | (6,713,443) |
| 825: Closing Cost of Removal | (109,109) | (68,770) | (60,946) | (51,586) | (66,986) | (31,572) | (25,314) | (414,284) |
| Project Net | 2,642,241 | (189,519) | 176,271 | (173,098) | (333,401) | (144,438) | (161,933) | 1,816,123 |

## Project No: 60005425 Wildfire Mitigation 2025-2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 562,032 | - | - | - | - | - | - |
| 120: Overtime-General | 44,988 | - | - | - | - | - | - |
| 350: Material Issues-Major | 3,078,573 | - | - | - | - | - | - |
| 370: Outside Services | 3,241,589 | 30,500 | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 433 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 445,404 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 47,024 | - | - | - | - | - | - |
| 914: Pension and Benefits | 103,128 | - | - | - | - | - | - |
| 915: Injuries and Damages | 121,103 | - | - | - | - | - | - |
| 921: Stores Load | 151,477 | - | - | - | - | - | - |
| 922: Minor Material Load | 161,684 | - | - | - | - | - | - |
| 925: E&S Loads | 459,044 | 2,135 | - | - | - | - | - |
| 926: A&G Loads | 349,918 | 1,144 | - | - | - | - | - |
| 928: AFUDC Debt | 93,991 | 3,541 | - | - | - | - | - |
| 929: AFUDC Equity | 83,463 | 4,791 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,713,443) | (1,616,514) | - | - | - | - | - |
| 825: Closing Cost of Removal | (414,284) | (241,719) | - | - | - | - | - |
| Project Net | 1,816,123 | (1,816,123) | - | - | - | - | - |

## Project No: 60005425 Wildfire Mitigation 2025-2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 562,032 |
| 120: Overtime-General | - | - | - | 44,988 |
| 350: Material Issues-Major | - | - | - | 3,078,573 |
| 370: Outside Services | - | - | - | 3,272,089 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 433 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 445,404 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 47,024 |
| 914: Pension and Benefits | - | - | - | 103,128 |
| 915: Injuries and Damages | - | - | - | 121,103 |
| 921: Stores Load | - | - | - | 151,477 |
| 922: Minor Material Load | - | - | - | 161,684 |
| 925: E&S Loads | - | - | - | 461,179 |
| 926: A&G Loads | - | - | - | 351,061 |
| 928: AFUDC Debt | - | - | - | 97,532 |
| 929: AFUDC Equity | - | - | - | 88,254 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (8,329,958) |
| 825: Closing Cost of Removal | - | - | - | (656,003) |
| Project Net | - | - | - | (0) |

## Project No: 60005425 Wildfire Mitigation 2025-2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 562,032 | - | - | - | 562,032 | - | - | - |
| 120: Overtime-General | 44,988 | - | - | - | 44,988 | - | - | - |
| 350: Material Issues-Major | 3,078,573 | - | - | - | 3,078,573 | - | - | - |
| 370: Outside Services | 3,272,089 | - | - | - | 3,272,089 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 433 | - | - | - | 433 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 445,404 | - | - | - | 445,404 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 47,024 | - | - | - | 47,024 | - | - | - |
| 914: Pension and Benefits | 103,128 | - | - | - | 103,128 | - | - | - |
| 915: Injuries and Damages | 121,103 | - | - | - | 121,103 | - | - | - |
| 921: Stores Load | 151,477 | - | - | - | 151,477 | - | - | - |
| 922: Minor Material Load | 161,684 | - | - | - | 161,684 | - | - | - |
| 925: E&S Loads | 461,179 | - | - | - | 461,179 | - | - | - |
| 926: A&G Loads | 351,061 | - | - | - | 351,061 | - | - | - |
| 928: AFUDC Debt | 97,532 | - | - | - | 97,532 | - | - | - |
| 929: AFUDC Equity | 88,254 | - | - | - | 88,254 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (8,329,958) | - | - | - | (8,329,958) | - | - | - |
| 825: Closing Cost of Removal | (656,003) | - | - | - | (656,003) | - | - | - |
| Project Net | (0) | - | - | - | (0) | - | - | - |

## Project No: 60005425 Wildfire Mitigation 2025-2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 562,032 |
| 120: Overtime-General | - | - | - | - | - | - | 44,988 |
| 350: Material Issues-Major | - | - | - | - | - | - | 3,078,573 |
| 370: Outside Services | - | - | - | - | - | - | 3,272,089 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 433 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 445,404 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 47,024 |
| 914: Pension and Benefits | - | - | - | - | - | - | 103,128 |
| 915: Injuries and Damages | - | - | - | - | - | - | 121,103 |
| 921: Stores Load | - | - | - | - | - | - | 151,477 |
| 922: Minor Material Load | - | - | - | - | - | - | 161,684 |
| 925: E&S Loads | - | - | - | - | - | - | 461,179 |
| 926: A&G Loads | - | - | - | - | - | - | 351,061 |
| 928: AFUDC Debt | - | - | - | - | - | - | 97,532 |
| 929: AFUDC Equity | - | - | - | - | - | - | 88,254 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (8,329,958) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (656,003) |
| Project Net | - | - | - | - | - | - | (0) |

## Project No: 60005426 Wildfire Mitigation 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 12/31/2028

Description

Upgrade PNM distribution facilities within designated High Fire Areas to reduce wildfire risk and improve system performance. Work includes replacing or relocating aging and underperforming protective and sectionalizing devices, installing additional protective devices, and upgrading distribution facilities to meet current PNM High Fire Area standards. It also includes vegetation management that are tied to the installations.

**Project No:** **60005426** **Wildfire Mitigation 2026-2027**

Project Need Justification

Aging and outdated protective devices within High Fire Areas are increasingly susceptible to degraded performance and failure, creating potential fire hazards and reliability concerns. Improvements are needed to replace compromised equipment, meet current High Fire Area standards, improve system sectionalization, and reduce restoration times associated with Public Safety Power Shutoff events.

**Project No:** **60005426 Wildfire Mitigation 2026-2027**

| | |
|---|---|
| Project Alternatives | Continue operating and maintaining the existing protective and sectionalizing equipment and replace devices as failures occur. This alternative is not recommended because aging and outdated equipment would continue to present increased wildfire, reliability, and extended outage restoration risks within High Fire Areas. |

**Project No:** **60005426** **Wildfire Mitigation 2026-2027**

| | |
|---|---|
| Project Estimate Approach | The estimate was developed based on historical costs that included hard bids from our line contractors. The historical costs are from existing projects that included planned system upgrades, protective and sectionalizing device replacements, new device installations, materials, construction, engineering, and associated project support required across the identified High Fire Areas. |

**Project No:** **60005426** **Wildfire Mitigation 2026-2027**

| | |
|---|---|
| Customer Benefit | The risk of a wildfire started by PNM powerlines is reduced. The distribution lines in those areas are also hardened, so if a wildfire encroaches on them the impact to customers served from those lines is reduced. |

## Project No: 60005426 Wildfire Mitigation 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:** **60005426** **Wildfire Mitigation 2026-2027**

General Services

Reliability & Resiliency

Improvements will reduce risk of wildfire ignitions but also reduce outages due to system upgrades because PNM is installing more sectionalizing devices that potentially could reduce the size of outages.

Safety & Security

All new poles will be designed and installed to PNM new wildfire standards. This also provides added safety distance for linemen working on these poles. In addition, vegetation management has increased its clearances from vegetation to our facilities.

Technology Advancements

## Project No: 60005426 Wildfire Mitigation 2026-2027

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 5,049 | - | - | - | - | - | - | 5,049 |
| 120: Overtime-General | 164 | - | - | - | - | - | - | 164 |
| 350: Material Issues-Major | 85,440 | - | - | - | - | - | - | 85,440 |
| 370: Outside Services | 419,771 | 41,232 | 41,862 | 36,810 | 36,132 | 35,212 | 9,126 | 620,145 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,467 | - | - | - | - | - | - | 4,467 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 397 | - | - | - | - | - | - | 397 |
| 914: Pension and Benefits | 954 | - | - | - | - | - | - | 954 |
| 915: Injuries and Damages | 1,032 | - | - | - | - | - | - | 1,032 |
| 921: Stores Load | 2,481 | - | - | - | - | - | - | 2,481 |
| 922: Minor Material Load | 4,084 | - | - | - | - | - | - | 4,084 |
| 925: E&S Loads | 33,632 | 2,680 | 2,721 | 2,393 | 2,349 | 2,289 | 593 | 46,656 |
| 926: A&G Loads | 25,725 | 2,144 | 2,177 | 1,914 | 1,879 | 1,831 | 475 | 36,145 |
| 928: AFUDC Debt | 1,177 | 1,015 | 1,127 | 1,233 | 1,333 | 1,431 | 1,495 | 8,813 |
| 929: AFUDC Equity | 953 | 1,082 | 1,201 | 1,315 | 1,421 | 1,526 | 1,594 | 9,091 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (99,508) | - | - | - | - | - | - | (99,508) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 485,819 | 48,154 | 49,088 | 43,665 | 43,113 | 42,289 | 13,283 | 725,410 |

## Project No: 60005426 Wildfire Mitigation 2026-2027

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 5,049 | - | - | - | - | - | - |
| 120: Overtime-General | 164 | - | - | - | - | - | - |
| 350: Material Issues-Major | 85,440 | - | - | - | - | - | - |
| 370: Outside Services | 620,145 | 14,000 | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,467 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 397 | - | - | - | - | - | - |
| 914: Pension and Benefits | 954 | - | - | - | - | - | - |
| 915: Injuries and Damages | 1,032 | - | - | - | - | - | - |
| 921: Stores Load | 2,481 | - | - | - | - | - | - |
| 922: Minor Material Load | 4,084 | - | - | - | - | - | - |
| 925: E&S Loads | 46,656 | 980 | - | - | - | - | - |
| 926: A&G Loads | 36,145 | 525 | - | - | - | - | - |
| 928: AFUDC Debt | 8,813 | 1,383 | - | - | - | - | - |
| 929: AFUDC Equity | 9,091 | 1,870 | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (99,508) | (632,065) | - | - | - | - | - |
| 825: Closing Cost of Removal | - | (112,104) | - | - | - | - | - |
| Project Net | 725,410 | (725,410) | - | - | - | - | - |

## Project No: 60005426 Wildfire Mitigation 2026-2027

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 5,049 |
| 120: Overtime-General | - | - | - | 164 |
| 350: Material Issues-Major | - | - | - | 85,440 |
| 370: Outside Services | - | - | - | 634,145 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 4,467 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 397 |
| 914: Pension and Benefits | - | - | - | 954 |
| 915: Injuries and Damages | - | - | - | 1,032 |
| 921: Stores Load | - | - | - | 2,481 |
| 922: Minor Material Load | - | - | - | 4,084 |
| 925: E&S Loads | - | - | - | 47,636 |
| 926: A&G Loads | - | - | - | 36,670 |
| 928: AFUDC Debt | - | - | - | 10,196 |
| 929: AFUDC Equity | - | - | - | 10,962 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (731,572) |
| 825: Closing Cost of Removal | - | - | - | (112,104) |
| Project Net | - | - | - | - |

## Project No: 60005426 Wildfire Mitigation 2026-2027

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 5,049 | - | - | - | 5,049 | - | - | - |
| 120: Overtime-General | 164 | - | - | - | 164 | - | - | - |
| 350: Material Issues-Major | 85,440 | - | - | - | 85,440 | - | - | - |
| 370: Outside Services | 634,145 | - | - | - | 634,145 | 90 | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 4,467 | - | - | - | 4,467 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 397 | - | - | - | 397 | - | - | - |
| 914: Pension and Benefits | 954 | - | - | - | 954 | - | - | - |
| 915: Injuries and Damages | 1,032 | - | - | - | 1,032 | - | - | - |
| 921: Stores Load | 2,481 | - | - | - | 2,481 | - | - | - |
| 922: Minor Material Load | 4,084 | - | - | - | 4,084 | - | - | - |
| 925: E&S Loads | 47,636 | - | - | - | 47,636 | 6 | - | - |
| 926: A&G Loads | 36,670 | - | - | - | 36,670 | 3 | - | - |
| 928: AFUDC Debt | 10,196 | - | - | - | 10,196 | 0 | 0 | - |
| 929: AFUDC Equity | 10,962 | - | - | - | 10,962 | 0 | 0 | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (731,572) | - | - | - | (731,572) | (66) | (27) | - |
| 825: Closing Cost of Removal | (112,104) | - | - | - | (112,104) | (5) | (2) | - |
| Project Net | - | - | - | - | - | 29 | (29) | - |

## Project No: 60005426 Wildfire Mitigation 2026-2027

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 5,049 |
| 120: Overtime-General | - | - | - | - | - | - | 164 |
| 350: Material Issues-Major | - | - | - | - | - | - | 85,440 |
| 370: Outside Services | - | - | - | - | - | - | 634,235 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 4,467 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 397 |
| 914: Pension and Benefits | - | - | - | - | - | - | 954 |
| 915: Injuries and Damages | - | - | - | - | - | - | 1,032 |
| 921: Stores Load | - | - | - | - | - | - | 2,481 |
| 922: Minor Material Load | - | - | - | - | - | - | 4,084 |
| 925: E&S Loads | - | - | - | - | - | - | 47,642 |
| 926: A&G Loads | - | - | - | - | - | - | 36,673 |
| 928: AFUDC Debt | - | - | - | - | - | - | 10,196 |
| 929: AFUDC Equity | - | - | - | - | - | - | 10,962 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (731,665) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (112,111) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60005427 Wildfire Mitigation 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 12/31/2029

Description

Upgrade PNM distribution facilities within designated High Fire Areas to reduce wildfire risk and improve system performance. Work includes replacing or relocating aging and underperforming protective and sectionalizing devices, installing additional protective devices, and upgrading distribution facilities to meet current PNM High Fire Area standards. It also includes vegetation management that are tied to the installations.

## Project No: 60005427 Wildfire Mitigation 2027-2028

Project Need Justification

Aging and outdated protective devices within High Fire Areas are increasingly susceptible to degraded performance and failure, creating potential fire hazards and reliability concerns. Improvements are needed to replace compromised equipment, meet current High Fire Area standards, improve system sectionalization, and reduce restoration times associated with Public Safety Power Shutoff events.

**Project No:** **60005427 Wildfire Mitigation 2027-2028**

| | |
|---|---|
| Project Alternatives | Continue operating and maintaining the existing protective and sectionalizing equipment and replace devices as failures occur. This alternative is not recommended because aging and outdated equipment would continue to present increased wildfire, reliability, and extended outage restoration risks within High Fire Areas. |

## Project No: 60005427 Wildfire Mitigation 2027-2028

| | |
|---|---|
| Project Estimate Approach | The estimate was developed based on historical costs that included hard bids from our line contractors. The historical costs are from existing projects that included planned system upgrades, protective and sectionalizing device replacements, new device installations, materials, construction, engineering, and associated project support required across the identified High Fire Areas. |

**Project No:** **60005427** **Wildfire Mitigation 2027-2028**

| | |
|---|---|
| Customer Benefit | The risk of a wildfire started by PNM powerlines is reduced. The distribution lines in those areas are also hardened, so if a wildfire encroaches on them the impact to customers served from those lines is reduced. |

## Project No: 60005427 Wildfire Mitigation 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: 60005427 Wildfire Mitigation 2027-2028

General Services

Reliability & Resiliency

Improvements will reduce risk of wildfire ignitions but also reduce outages due to system upgrades because PNM is installing more sectionalizing devices that potentially could reduce the size of outages.

Safety & Security

All new poles will be designed and installed to PNM new wildfire standards. This also provides added safety distance for linemen working on these poles. In addition, vegetation management has increased its clearances from vegetation to our facilities.

Technology Advancements

## Project No: 60005427 Wildfire Mitigation 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: 60005427 Wildfire Mitigation 2027-2028

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | 121 | 308 | 811 | 1,469 | 2,344 | 2,691 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | - | 23,457 | 59,778 | 157,389 | 284,890 | 414,765 | 522,109 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | 605 | 1,541 | 4,056 | 7,343 | 11,721 | 13,456 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 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 | 25 | 67 | 121 | 194 | 222 |
| 914: Pension and Benefits | - | 23 | 58 | 154 | 279 | 445 | 511 |
| 915: Injuries and Damages | - | 23 | 58 | 154 | 279 | 444 | 510 |
| 921: Stores Load | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | - | 1,697 | 4,324 | 11,384 | 20,607 | 30,094 | 37,765 |
| 926: A&G Loads | - | 907 | 2,311 | 6,085 | 11,014 | 16,081 | 20,185 |
| 928: AFUDC Debt | - | 28 | 126 | 384 | 910 | 1,745 | 2,865 |
| 929: AFUDC Equity | - | 38 | 171 | 520 | 1,231 | 2,360 | 3,875 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - |
| Project Net | - | 26,908 | 68,702 | 181,004 | 328,142 | 480,193 | 604,189 |

## Project No: 60005427 Wildfire Mitigation 2027-2028

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 2,438 | 1,582 | 839 | 12,603 |
| 120: Overtime-General | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - |
| 370: Outside Services | 572,925 | 306,834 | 162,686 | 2,504,833 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | 12,189 | 7,908 | 4,193 | 63,012 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 201 | 131 | 69 | 1,041 |
| 914: Pension and Benefits | 463 | 300 | 159 | 2,393 |
| 915: Injuries and Damages | 462 | 300 | 159 | 2,390 |
| 921: Stores Load | - | - | - | - |
| 922: Minor Material Load | - | - | - | - |
| 925: E&S Loads | 41,208 | 22,194 | 11,767 | 181,039 |
| 926: A&G Loads | 22,033 | 11,862 | 6,289 | 96,767 |
| 928: AFUDC Debt | 4,172 | 5,232 | 5,815 | 21,277 |
| 929: AFUDC Equity | 5,644 | 7,078 | 7,867 | 28,785 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - |
| Project Net | 661,736 | 363,421 | 199,845 | 2,914,140 |

## Project No: 60005427 Wildfire Mitigation 2027-2028

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 12,603 | 343 | 117 | 4 | 13,067 | 1,976 | 5,034 | 13,255 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | 35,560 | 90,620 | 238,595 |
| 370: Outside Services | 2,504,833 | 66,588 | 22,700 | 757 | 2,594,878 | 16,933 | 43,153 | 348,990 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 63,012 | 1,716 | 585 | 20 | 65,333 | 1,976 | 5,034 | 13,255 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,041 | 28 | 10 | 0 | 1,079 | 163 | 416 | 1,095 |
| 914: Pension and Benefits | 2,393 | 65 | 22 | 1 | 2,481 | 375 | 956 | 2,517 |
| 915: Injuries and Damages | 2,390 | 65 | 22 | 1 | 2,477 | 375 | 954 | 2,513 |
| 921: Stores Load | - | - | - | - | - | 5,963 | 15,195 | 40,008 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | 181,039 | 4,816 | 1,642 | 55 | 187,552 | 4,015 | 10,232 | 43,415 |
| 926: A&G Loads | 96,767 | 2,574 | 878 | 29 | 100,248 | 1,981 | 5,049 | 21,555 |
| 928: AFUDC Debt | 21,277 | 6,117 | 6,255 | 6,315 | 39,965 | 6,295 | 5,108 | 4,616 |
| 929: AFUDC Equity | 28,785 | 8,276 | 8,462 | 8,544 | 54,066 | 9,932 | 8,059 | 7,283 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (674,852) | (657,918) | (665,590) |
| 825: Closing Cost of Removal | - | - | - | - | - | (48,887) | (47,528) | (48,402) |
| Project Net | 2,914,140 | 90,589 | 40,692 | 15,726 | 3,061,147 | (638,195) | (515,636) | 23,105 |

## Project No: 60005427 Wildfire Mitigation 2027-2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 23,993 | 38,300 | 43,972 | 39,830 | 25,841 | 13,701 | 218,969 |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 431,881 | 689,403 | 791,495 | 716,934 | 465,146 | 246,625 | 3,706,259 |
| 370: Outside Services | 305,658 | 328,287 | 336,902 | 241,397 | 221,498 | 117,441 | 4,555,137 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 23,993 | 38,300 | 43,972 | 39,830 | 25,841 | 13,701 | 271,235 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,982 | 3,164 | 3,632 | 3,290 | 2,134 | 1,132 | 18,087 |
| 914: Pension and Benefits | 4,556 | 7,273 | 8,350 | 7,564 | 4,907 | 2,602 | 41,582 |
| 915: Injuries and Damages | 4,549 | 7,262 | 8,337 | 7,552 | 4,899 | 2,598 | 41,517 |
| 921: Stores Load | 72,418 | 115,599 | 132,718 | 120,215 | 77,996 | 41,354 | 621,466 |
| 922: Minor Material Load | - | - | - | - | - | - | - |
| 925: E&S Loads | 55,763 | 77,839 | 86,566 | 73,948 | 52,519 | 27,846 | 619,695 |
| 926: A&G Loads | 27,572 | 38,410 | 42,694 | 36,433 | 25,915 | 13,741 | 313,597 |
| 928: AFUDC Debt | 4,892 | 5,836 | 7,306 | 8,754 | 9,613 | 9,698 | 102,084 |
| 929: AFUDC Equity | 7,718 | 9,208 | 11,527 | 13,811 | 15,167 | 15,301 | 152,072 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (647,488) | (663,038) | (650,355) | (648,737) | (630,904) | (657,200) | (5,896,082) |
| 825: Closing Cost of Removal | (47,407) | (48,838) | (48,041) | (47,923) | (46,521) | (48,298) | (431,843) |
| Project Net | 270,079 | 647,004 | 819,075 | 612,899 | 254,053 | (199,758) | 4,333,773 |

## Project No: 60005527 Joint Use 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

Perform distribution system improvements required to support Joint Use Make Ready applications throughout PNM's service territory. Work includes engineering and construction to remove, replace, relocate, or modify poles and associated distribution facilities to accommodate third-party attachments, including fiber-to-the-home initiatives, while meeting applicable National Electrical Safety Code (NESC) and Federal Communications Commission (FCC) requirements.

**Project No:** **60005527 Joint Use 2028**

Project Need Justification

Joint Use Make Ready work is required to accommodate third-party attachment requests and maintain PNM facilities in compliance with NESC standards and FCC requirements. Projects may require pole replacements, facility relocations, and other system improvements to correct existing conditions and safely accommodate new attachments within required regulatory timelines.

**Project No:** **60005527 Joint Use 2028**

Project Alternatives

Alternatives include denying or delaying third-party attachment requests, where allowable, or limiting work to existing facilities without completing required make-ready improvements. However, these alternatives are generally not viable when modifications are required to meet NESC standards, FCC timelines, customer obligations, or other regulatory requirements.

**Project No:** **60005527 Joint Use 2028**

Project Estimate Approach

The estimate is based on forecasted Joint Use Make Ready workload for 2028, including anticipated engineering, material, construction, and outside service costs. Actual requirements will vary based on the number and complexity of third-party attachment applications, required pole replacements and relocations, material and labor escalation, and field conditions.

**Project No:** **60005527 Joint Use 2028**

| | |
|---|---|
| Customer Benefit | Enables expansion of third-party services such as fiber-to-the-home while maintaining the safety, integrity, and reliability of PNM's distribution system. The work also supports timely processing of Joint Use applications and continued reliable electric service for existing PNM customers. |

## Project No: 60005527 Joint Use 2028

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | Due to FCC requirements and PRC (New Mexico Public Regulation Commission) mandates to allow joint users to attach to our poles upgrades need to be made. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60005527** **Joint Use 2028**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 60005527 Joint Use 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:** **60005527** **Joint Use 2028**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 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: 60005527 Joint Use 2028

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 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: 60005527 Joint Use 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 | - | - | - | - | - | 866,667 | 866,667 | 866,667 |
| 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 | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | 60,667 | 60,667 | 60,667 |
| 926: A&G Loads | - | - | - | - | - | 30,420 | 30,420 | 30,420 |
| 928: AFUDC Debt | - | - | - | - | - | 972 | 2,920 | 4,880 |
| 929: AFUDC Equity | - | - | - | - | - | 1,533 | 4,607 | 7,699 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | 960,258 | 965,281 | 970,332 |

## Project No: 60005527 Joint Use 2028

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - |
| 370: Outside Services | 866,667 | 866,667 | 866,667 | 866,667 | 866,667 | 866,667 | 7,800,003 |
| 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 | 60,667 | 60,667 | 60,667 | 60,667 | 60,667 | 60,667 | 546,000 |
| 926: A&G Loads | 30,420 | 30,420 | 30,420 | 30,420 | 30,420 | 30,420 | 273,780 |
| 928: AFUDC Debt | 6,850 | 8,832 | 9,839 | 10,751 | 10,398 | 10,114 | 65,556 |
| 929: AFUDC Equity | 10,808 | 13,934 | 15,524 | 16,962 | 16,405 | 15,957 | 103,428 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (451,659) | (498,100) | (1,080,265) | (1,047,715) | (1,532,293) | (4,610,032) |
| 825: Closing Cost of Removal | - | (33,521) | (36,874) | (79,781) | (77,233) | (112,793) | (340,202) |
| Project Net | 975,411 | 495,339 | 448,143 | (174,579) | (140,392) | (661,261) | 3,838,533 |

## Project No: 60005726 Joint Use Make Ready 2026

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

Perform distribution system improvements required to support Joint Use Make Ready applications throughout PNM's service territory. Work includes engineering and construction to remove, replace, relocate, or modify poles and associated distribution facilities to accommodate third-party attachments, including fiber-to-the-home initiatives, while meeting applicable National Electrical Safety Code (NESC) and Federal Communications Commission (FCC) requirements.

## Project No: 60005726 Joint Use Make Ready 2026

| | |
|---|---|
| Project Need Justification | Joint Use Make Ready work is required to accommodate third-party attachment requests and maintain PNM facilities in compliance with NESC standards and FCC requirements. Projects may require pole replacements, facility relocations, and other system improvements to correct existing conditions and safely accommodate new attachments within required regulatory timelines. |

**Project No:** **60005726** **Joint Use Make Ready 2026**

| | |
|---|---|
| Project Alternatives | Alternatives include denying or delaying third-party attachment requests, where allowable, or limiting work to existing facilities without completing required make-ready improvements. However, these alternatives are generally not viable when modifications are required to meet NESC standards, FCC timelines, customer obligations, or other regulatory requirements. |

## Project No: 60005726 Joint Use Make Ready 2026

Project Estimate Approach

The estimate is based on forecasted Joint Use Make Ready workload for 2026, including anticipated engineering, material, construction, and outside service costs. Actual requirements will vary based on the number and complexity of third-party attachment applications, required pole replacements and relocations, material and labor escalation, and field conditions.

**Project No:** **60005726** **Joint Use Make Ready 2026**

| | |
|---|---|
| Customer Benefit | Enables expansion of third-party services such as fiber-to-the-home while maintaining the safety, integrity, and reliability of PNM's distribution system. The work also supports timely processing of Joint Use applications and continued reliable electric service for existing PNM customers. |

## Project No: 60005726 Joint Use Make Ready 2026

| | |
|---|---|
| Primary Value Driver | Compliance |
| Compliance | Due to FCC requirements and PRC (New Mexico Public Regulation Commission) mandates to allow joint users to attach to our poles upgrades need to be made. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **60005726** **Joint Use Make Ready 2026**

General Services

Reliability & Resiliency

Safety & Security

Technology Advancements

## Project No: 60005726 Joint Use Make Ready 2026

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 16,043 | 14,763 | 14,763 | 14,763 | 14,763 | 347 | 770 | 76,212 |
| 120: Overtime-General | 84 | - | - | - | - | - | - | 84 |
| 350: Material Issues-Major | 125,065 | 127,974 | 127,974 | 127,974 | 127,974 | 3,004 | 6,672 | 646,637 |
| 370: Outside Services | 864,647 | 783,195 | 783,195 | 783,195 | 783,195 | 994,911 | 488,697 | 5,481,035 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 40 | 40 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 54,328 | 74,068 | 74,068 | 74,068 | 74,068 | 1,739 | 3,862 | 356,201 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,233 | 1,125 | 1,125 | 1,125 | 1,125 | 26 | 59 | 5,818 |
| 914: Pension and Benefits | 2,931 | 2,747 | 2,747 | 2,747 | 2,747 | 65 | 143 | 14,128 |
| 915: Injuries and Damages | 3,194 | 2,923 | 2,923 | 2,923 | 2,923 | 69 | 152 | 15,108 |
| 921: Stores Load | 4,421 | 29,163 | 29,163 | 29,163 | 29,163 | 685 | 1,520 | 123,276 |
| 922: Minor Material Load | 10,361 | - | - | - | - | - | - | 10,361 |
| 925: E&S Loads | 70,016 | 65,442 | 65,442 | 65,442 | 65,442 | 65,010 | 32,526 | 429,319 |
| 926: A&G Loads | 53,335 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 26,002 | 339,337 |
| 928: AFUDC Debt | 5,627 | 2,542 | 5,201 | 7,873 | 10,559 | 13,218 | 15,210 | 60,231 |
| 929: AFUDC Equity | 4,498 | 2,709 | 5,543 | 8,391 | 11,253 | 14,087 | 16,210 | 62,691 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (546,231) | - | - | - | - | - | (6,460,491) | (7,006,722) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (613,755) | (613,755) |
| Project Net | 669,551 | 1,158,651 | 1,164,144 | 1,169,664 | 1,175,212 | 1,145,161 | (6,482,382) | - |

## Project No: 60005726 Joint Use Make Ready 2026

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 76,212 | - | - | - | - | - | - |
| 120: Overtime-General | 84 | - | - | - | - | - | - |
| 350: Material Issues-Major | 646,637 | - | - | - | - | - | - |
| 370: Outside Services | 5,481,035 | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 40 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 356,201 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,818 | - | - | - | - | - | - |
| 914: Pension and Benefits | 14,128 | - | - | - | - | - | - |
| 915: Injuries and Damages | 15,108 | - | - | - | - | - | - |
| 921: Stores Load | 123,276 | - | - | - | - | - | - |
| 922: Minor Material Load | 10,361 | - | - | - | - | - | - |
| 925: E&S Loads | 429,319 | - | - | - | - | - | - |
| 926: A&G Loads | 339,337 | - | - | - | - | - | - |
| 928: AFUDC Debt | 60,231 | - | - | - | - | - | - |
| 929: AFUDC Equity | 62,691 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,006,722) | - | - | - | - | - | - |
| 825: Closing Cost of Removal | (613,755) | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60005726 Joint Use Make Ready 2026

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 76,212 |
| 120: Overtime-General | - | - | - | 84 |
| 350: Material Issues-Major | - | - | - | 646,637 |
| 370: Outside Services | - | - | - | 5,481,035 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 40 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 356,201 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 5,818 |
| 914: Pension and Benefits | - | - | - | 14,128 |
| 915: Injuries and Damages | - | - | - | 15,108 |
| 921: Stores Load | - | - | - | 123,276 |
| 922: Minor Material Load | - | - | - | 10,361 |
| 925: E&S Loads | - | - | - | 429,319 |
| 926: A&G Loads | - | - | - | 339,337 |
| 928: AFUDC Debt | - | - | - | 60,231 |
| 929: AFUDC Equity | - | - | - | 62,691 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | - | (7,006,722) |
| 825: Closing Cost of Removal | - | - | - | (613,755) |
| Project Net | - | - | - | - |

## Project No: 60005726 Joint Use Make Ready 2026

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 76,212 | - | - | - | 76,212 | - | - | - |
| 120: Overtime-General | 84 | - | - | - | 84 | - | - | - |
| 350: Material Issues-Major | 646,637 | - | - | - | 646,637 | - | - | - |
| 370: Outside Services | 5,481,035 | - | - | - | 5,481,035 | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 40 | - | - | - | 40 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 356,201 | - | - | - | 356,201 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,818 | - | - | - | 5,818 | - | - | - |
| 914: Pension and Benefits | 14,128 | - | - | - | 14,128 | - | - | - |
| 915: Injuries and Damages | 15,108 | - | - | - | 15,108 | - | - | - |
| 921: Stores Load | 123,276 | - | - | - | 123,276 | - | - | - |
| 922: Minor Material Load | 10,361 | - | - | - | 10,361 | - | - | - |
| 925: E&S Loads | 429,319 | - | - | - | 429,319 | - | - | - |
| 926: A&G Loads | 339,337 | - | - | - | 339,337 | - | - | - |
| 928: AFUDC Debt | 60,231 | - | - | - | 60,231 | - | - | - |
| 929: AFUDC Equity | 62,691 | - | - | - | 62,691 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,006,722) | - | - | - | (7,006,722) | - | - | - |
| 825: Closing Cost of Removal | (613,755) | - | - | - | (613,755) | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

## Project No: 60005726 Joint Use Make Ready 2026

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 76,212 |
| 120: Overtime-General | - | - | - | - | - | - | 84 |
| 350: Material Issues-Major | - | - | - | - | - | - | 646,637 |
| 370: Outside Services | - | - | - | - | - | - | 5,481,035 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 40 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 356,201 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 5,818 |
| 914: Pension and Benefits | - | - | - | - | - | - | 14,128 |
| 915: Injuries and Damages | - | - | - | - | - | - | 15,108 |
| 921: Stores Load | - | - | - | - | - | - | 123,276 |
| 922: Minor Material Load | - | - | - | - | - | - | 10,361 |
| 925: E&S Loads | - | - | - | - | - | - | 429,319 |
| 926: A&G Loads | - | - | - | - | - | - | 339,337 |
| 928: AFUDC Debt | - | - | - | - | - | - | 60,231 |
| 929: AFUDC Equity | - | - | - | - | - | - | 62,691 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (7,006,722) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (613,755) |
| Project Net | - | - | - | - | - | - | - |

## Project No: 60005910 Substation Equipment Replacements B

Company: 001 Electric Services
Location: 600 Electric System

**Project Information** County % Total System 100%

Estimated Start Date 10/9/2008

Estimated Completion Date 12/31/2032

Description

This project covers replacement of aging equipment and/or station improvements at PNM substations. Examples of equipment to be purchased includes station battery banks, Medium Voltage Circuit Breakers, VRRs (Voltage Regulating Relays for station Transformer), ETMs (Electronic Temperature Monitoring on station Transformers), Hi Side and Low Side Transformer Bushings and Lightning Arrestors, Installation of Remote Racking Systems for Switchgear Breakers. Our ETM and VRR replacements are driven by failed components, but are also used to keep up to date with grid modifications such as being able to accommodate reverse current on the station XFMR due to growing distributive solar and to bring older stations into alignment with new standards.

Specific efforts funded by this project are identified through routine station inspections, and during maintenance or replacement of substation assets. Efforts are prioritized and scheduled based on system needs (i.e., more critical equipment is replaced first), the potential vulnerability to the system if the equipment were to fail prior to replacement, and age of the equipment.

**Project No:** **60005910** **Substation Equipment Replacements B**

Project Need Justification

This project covers the replacement of aging substation equipment which allows PNM to maintain safe and reliable operations for both employees and customers.

**Project No:** **60005910** **Substation Equipment Replacements B**

Project Alternatives

The only alternative is to do nothing. This approach is not viable as running aged equipment increases the risk of failure which could cause damage to other equipment, creates a safety risk for PNM employees, and could impact system reliability.

## Project No: 60005910 Substation Equipment Replacements B

| | |
|---|---|
| Project Estimate Approach | Cost estimates are prepared on a per-task basis. Estimates typically include major equipment prices from master agreements, and minor material and construction costs from previous similar work or competitive bids. On unique or specialty projects, vendor quotes are secured prior to authorizing work. PNM reviewed historical spend on an annual basis across the last five years to develop the future budget. In addition to the historical funding, PNM also looked at trends which are developing on the system, equipment which is nearing end of productive life, environmental, and safety requirements, and results from inspections and testing, all of which need to be considered when estimating budgets and implementing projects. There is a slight uptick in anticipated spend due to the age of system along with inflationary factors from labor and material. These estimates also include some funds to address emergent issues such as unforeseen failures. |

**Project No:** **60005910** **Substation Equipment Replacements B**

Customer Benefit

The risk of unplanned outages caused by equipment failure is reduced by replacing aging equipment. Replacing aged equipment also reduces the risk of a catastrophic failure which could result in damage to other company equipment causing service interruptions and more costly repairs.

**Project No:** **60005910** **Substation Equipment Replacements B**

Primary Value Driver Reliability & Resiliency

Compliance

Customer Delivery

Energy Transition

**Project No:** **60005910** **Substation Equipment Replacements B**

General Services

Reliability & Resiliency

This project enables PNM to meet reliability obligations for our customers, while providing safe and reliable equipment for our employees.

Safety & Security

Technology Advancements

## Project No: 60005910 Substation Equipment Replacements B

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 3,212,738 | 11,417 | 11,417 | 11,417 | 11,417 | 11,417 | 11,417 | 3,281,240 |
| 120: Overtime-General | 1,390,864 | 1,863 | 1,863 | 1,863 | 1,863 | 1,863 | 1,863 | 1,402,042 |
| 350: Material Issues-Major | 4,788,469 | 22,754 | 22,754 | 22,754 | 22,754 | 22,754 | 22,754 | 4,924,993 |
| 370: Outside Services | 2,301,742 | 63,965 | 63,965 | 63,965 | 63,965 | 63,965 | 63,965 | 2,685,532 |
| 374: Outside Services Legal | 1,710 | - | - | - | - | - | - | 1,710 |
| 377: Outside Svcs-Temp Labor | (0) | - | - | - | - | - | 70 | 70 |
| 391: Jt Proj Bill to PNM -N Lab | 351 | - | - | - | - | - | - | 351 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,286,789 | - | - | - | - | - | - | 1,286,789 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (235) | - | - | - | - | - | - | (235) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 351,913 | 1,012 | 1,012 | 1,012 | 1,012 | 1,012 | 1,012 | 357,984 |
| 914: Pension and Benefits | 1,031,946 | 2,471 | 2,471 | 2,471 | 2,471 | 2,471 | 2,471 | 1,046,775 |
| 915: Injuries and Damages | 547,368 | 2,629 | 2,629 | 2,629 | 2,629 | 2,629 | 2,629 | 563,145 |
| 921: Stores Load | 146,129 | 5,185 | 5,185 | 5,185 | 5,185 | 5,185 | 5,185 | 177,240 |
| 922: Minor Material Load | 53,840 | - | - | - | - | - | - | 53,840 |
| 925: E&S Loads | 1,555,419 | 6,897 | 6,897 | 6,897 | 6,897 | 6,897 | 6,902 | 1,596,807 |
| 926: A&G Loads | 699,413 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 | 5,204 | 730,617 |
| 928: AFUDC Debt | 195,939 | 2,055 | 2,349 | 2,093 | 2,387 | 2,682 | 2,355 | 209,859 |
| 929: AFUDC Equity | 224,622 | 2,190 | 2,503 | 2,231 | 2,544 | 2,858 | 2,509 | 239,457 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (15,275,313) | - | (224,520) | - | - | (254,120) | (224,546) | (15,978,499) |
| 825: Closing Cost of Removal | (1,625,881) | - | (27,095) | - | - | (26,835) | (22,833) | (1,702,644) |
| Project Net | 887,822 | 127,639 | (123,370) | 127,718 | 128,325 | (152,020) | (119,043) | 877,071 |

**Project No:** **60005910** **Substation Equipment Replacements B**

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 3,281,240 | 9,232 | 9,232 | 9,232 | 9,232 | 9,232 | 9,232 |
| 120: Overtime-General | 1,402,042 | 3,034 | 3,034 | 3,034 | 3,034 | 3,034 | 3,034 |
| 350: Material Issues-Major | 4,924,993 | 36,604 | 36,604 | 36,604 | 36,604 | 36,604 | 36,604 |
| 370: Outside Services | 2,685,532 | 28,430 | 28,430 | 28,430 | 28,430 | 28,430 | 28,430 |
| 374: Outside Services Legal | 1,710 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 70 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 351 | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,286,789 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (235) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 357,984 | 1,013 | 1,013 | 1,013 | 1,013 | 1,013 | 1,013 |
| 914: Pension and Benefits | 1,046,775 | 2,329 | 2,329 | 2,329 | 2,329 | 2,329 | 2,329 |
| 915: Injuries and Damages | 563,145 | 2,326 | 2,326 | 2,326 | 2,326 | 2,326 | 2,326 |
| 921: Stores Load | 177,240 | 6,138 | 6,138 | 6,138 | 6,138 | 6,138 | 6,138 |
| 922: Minor Material Load | 53,840 | - | - | - | - | - | - |
| 925: E&S Loads | 1,596,807 | 5,808 | 5,808 | 5,808 | 5,808 | 5,808 | 5,808 |
| 926: A&G Loads | 730,617 | 2,899 | 2,899 | 2,899 | 2,899 | 2,899 | 2,899 |
| 928: AFUDC Debt | 209,859 | 1,866 | 2,078 | 2,292 | 1,977 | 2,190 | 2,404 |
| 929: AFUDC Equity | 239,457 | 2,525 | 2,812 | 3,100 | 2,675 | 2,962 | 3,252 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (15,978,499) | - | - | (238,411) | - | - | (249,399) |
| 825: Closing Cost of Removal | (1,702,644) | - | - | (22,329) | - | - | (21,935) |
| Project Net | 877,071 | 102,203 | 102,703 | (157,535) | 102,464 | 102,965 | (167,866) |

## Project No: 60005910 Substation Equipment Replacements B

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | 9,232 | 9,232 | 9,232 | 3,364,328 |
| 120: Overtime-General | 3,034 | 3,034 | 3,034 | 1,429,348 |
| 350: Material Issues-Major | 36,604 | 36,604 | 36,604 | 5,254,429 |
| 370: Outside Services | 28,430 | 28,430 | 28,430 | 2,941,402 |
| 374: Outside Services Legal | - | - | - | 1,710 |
| 377: Outside Svcs-Temp Labor | - | - | - | 70 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | 351 |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 1,286,789 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (235) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | 1,013 | 1,013 | 1,013 | 367,103 |
| 914: Pension and Benefits | 2,329 | 2,329 | 2,329 | 1,067,739 |
| 915: Injuries and Damages | 2,326 | 2,326 | 2,326 | 584,076 |
| 921: Stores Load | 6,138 | 6,138 | 6,138 | 232,479 |
| 922: Minor Material Load | - | - | - | 53,840 |
| 925: E&S Loads | 5,808 | 5,808 | 5,808 | 1,649,077 |
| 926: A&G Loads | 2,899 | 2,899 | 2,899 | 756,705 |
| 928: AFUDC Debt | 2,065 | 2,278 | 2,492 | 229,501 |
| 929: AFUDC Equity | 2,793 | 3,082 | 3,372 | 266,030 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | - | - | (258,107) | (16,724,416) |
| 825: Closing Cost of Removal | - | - | (21,628) | (1,768,536) |
| Project Net | 102,671 | 103,172 | (176,058) | 991,788 |

## Project No: 60005910 Substation Equipment Replacements B

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 3,364,328 | 9,232 | 9,232 | 9,232 | 3,392,024 | 17,265 | 17,265 | 17,265 |
| 120: Overtime-General | 1,429,348 | 3,034 | 3,034 | 3,034 | 1,438,450 | 11,159 | 11,159 | 11,159 |
| 350: Material Issues-Major | 5,254,429 | 36,604 | 36,604 | 36,604 | 5,364,241 | 31,525 | 31,525 | 31,525 |
| 370: Outside Services | 2,941,402 | 28,430 | 28,430 | 28,430 | 3,026,692 | 20,924 | 20,924 | 20,924 |
| 374: Outside Services Legal | 1,710 | - | - | - | 1,710 | - | - | - |
| 377: Outside Svcs-Temp Labor | 70 | - | - | - | 70 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 351 | - | - | - | 351 | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,286,789 | - | - | - | 1,286,789 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (235) | - | - | - | (235) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 367,103 | 1,013 | 1,013 | 1,013 | 370,142 | 2,348 | 2,348 | 2,348 |
| 914: Pension and Benefits | 1,067,739 | 2,329 | 2,329 | 2,329 | 1,074,727 | 5,398 | 5,398 | 5,398 |
| 915: Injuries and Damages | 584,076 | 2,326 | 2,326 | 2,326 | 591,052 | 5,389 | 5,389 | 5,389 |
| 921: Stores Load | 232,479 | 6,138 | 6,138 | 6,138 | 250,893 | 5,286 | 5,286 | 5,286 |
| 922: Minor Material Load | 53,840 | - | - | - | 53,840 | - | - | - |
| 925: E&S Loads | 1,649,077 | 5,808 | 5,808 | 5,808 | 1,666,500 | 6,581 | 6,581 | 6,581 |
| 926: A&G Loads | 756,705 | 2,899 | 2,899 | 2,899 | 765,402 | 2,839 | 2,839 | 2,839 |
| 928: AFUDC Debt | 229,501 | 2,134 | 2,348 | 2,563 | 236,547 | 2,158 | 2,390 | 2,624 |
| 929: AFUDC Equity | 266,030 | 2,887 | 3,176 | 3,467 | 275,561 | 3,404 | 3,771 | 4,140 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (16,724,416) | - | - | (265,007) | (16,989,423) | - | - | (277,501) |
| 825: Closing Cost of Removal | (1,768,536) | - | - | (21,389) | (1,789,926) | - | - | (21,706) |
| Project Net | 991,788 | 102,834 | 103,337 | (182,554) | 1,015,405 | 114,275 | 114,875 | (183,729) |

## Project No: 60005910 Substation Equipment Replacements B

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 17,265 | 17,265 | 17,265 | 17,265 | 17,265 | 17,265 | 3,547,409 |
| 120: Overtime-General | 11,159 | 11,159 | 11,159 | 11,159 | 11,159 | 11,159 | 1,538,881 |
| 350: Material Issues-Major | 31,525 | 31,525 | 31,525 | 31,525 | 31,525 | 31,525 | 5,647,966 |
| 370: Outside Services | 20,924 | 20,924 | 20,924 | 20,924 | 20,924 | 20,924 | 3,215,008 |
| 374: Outside Services Legal | - | - | - | - | - | - | 1,710 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 70 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | 351 |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 1,286,789 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (235) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 2,348 | 2,348 | 2,348 | 2,348 | 2,348 | 2,348 | 391,273 |
| 914: Pension and Benefits | 5,398 | 5,398 | 5,398 | 5,398 | 5,398 | 5,398 | 1,123,306 |
| 915: Injuries and Damages | 5,389 | 5,389 | 5,389 | 5,389 | 5,389 | 5,389 | 639,555 |
| 921: Stores Load | 5,286 | 5,286 | 5,286 | 5,286 | 5,286 | 5,286 | 298,468 |
| 922: Minor Material Load | - | - | - | - | - | - | 53,840 |
| 925: E&S Loads | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 1,725,725 |
| 926: A&G Loads | 2,839 | 2,839 | 2,839 | 2,839 | 2,839 | 2,839 | 790,949 |
| 928: AFUDC Debt | 2,255 | 2,488 | 2,723 | 2,332 | 2,566 | 2,800 | 258,882 |
| 929: AFUDC Equity | 3,557 | 3,925 | 4,295 | 3,679 | 4,048 | 4,418 | 310,799 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (287,412) | - | - | (295,275) | (17,849,612) |
| 825: Closing Cost of Removal | - | - | (21,953) | - | - | (22,146) | (1,855,731) |
| Project Net | 114,525 | 115,126 | (193,635) | 114,724 | 115,326 | (201,489) | 1,125,402 |

## Project No: 89900607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 899 Bernalillo Division

**Project Information**

| County % | | |
|---|---|---|
| | Sandoval | 94% |
| | Bernalillo | 6% |

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 89900607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **89900607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative.

**Project No:** **89900607** **Distr. Remove & Replace**

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of the facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **89900607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increase in equipment reliability by maintaining the distribution system integrity. |

## Project No: 89900607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 89900607 Distr. Remove & Replace

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 89900607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,420,475 | - | - | - | - | - | - | 1,420,475 |
| 120: Overtime-General | 465,218 | - | - | - | - | - | - | 465,218 |
| 350: Material Issues-Major | 4,398,564 | - | - | - | - | - | - | 4,398,564 |
| 370: Outside Services | 6,023,405 | 9,287 | 9,287 | 9,287 | 9,287 | 9,287 | 6,186 | 6,076,025 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 37,594 | - | - | - | - | - | - | 37,594 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 676,759 | - | - | - | - | - | - | 676,759 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (4,032,436) | - | - | - | - | - | - | (4,032,436) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 140,254 | - | - | - | - | - | - | 140,254 |
| 914: Pension and Benefits | 500,644 | - | - | - | - | - | - | 500,644 |
| 915: Injuries and Damages | 146,502 | - | - | - | - | - | - | 146,502 |
| 921: Stores Load | 477,928 | - | - | - | - | - | - | 477,928 |
| 922: Minor Material Load | 523,468 | - | - | - | - | - | - | 523,468 |
| 925: E&S Loads | 2,010,928 | 604 | 604 | 604 | 604 | 604 | 402 | 2,014,349 |
| 926: A&G Loads | 789,125 | 483 | 483 | 483 | 483 | 483 | 322 | 791,861 |
| 928: AFUDC Debt | 908 | - | - | - | - | - | - | 908 |
| 929: AFUDC Equity | 278 | - | - | - | - | - | - | 278 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (12,087,202) | (24,871) | (23,044) | (21,437) | (20,022) | (18,777) | (17,295) | (12,212,648) |
| 825: Closing Cost of Removal | (1,269,953) | (4,835) | (4,342) | (3,908) | (3,526) | (3,190) | (2,866) | (1,292,621) |
| Project Net | 222,459 | (19,333) | (17,013) | (14,972) | (13,175) | (11,594) | (13,250) | 133,121 |

## Project No: 89900607 Distr. Remove & Replace

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,420,475 | - | - | - | - | - | - |
| 120: Overtime-General | 465,218 | - | - | - | - | - | - |
| 350: Material Issues-Major | 4,398,564 | - | - | - | - | - | - |
| 370: Outside Services | 6,076,025 | 6,265 | 6,265 | 6,265 | 6,265 | 6,265 | 6,265 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 37,594 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 676,759 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (4,032,436) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 140,254 | - | - | - | - | - | - |
| 914: Pension and Benefits | 500,644 | - | - | - | - | - | - |
| 915: Injuries and Damages | 146,502 | - | - | - | - | - | - |
| 921: Stores Load | 477,928 | - | - | - | - | - | - |
| 922: Minor Material Load | 523,468 | - | - | - | - | - | - |
| 925: E&S Loads | 2,014,349 | 439 | 439 | 439 | 439 | 439 | 439 |
| 926: A&G Loads | 791,861 | 235 | 235 | 235 | 235 | 235 | 235 |
| 928: AFUDC Debt | 908 | - | - | - | - | - | - |
| 929: AFUDC Equity | 278 | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (12,212,648) | (15,994) | (14,849) | (13,841) | (12,955) | (12,175) | (11,488) |
| 825: Closing Cost of Removal | (1,292,621) | (2,580) | (2,329) | (2,108) | (1,913) | (1,742) | (1,591) |
| Project Net | 133,121 | (11,635) | (10,239) | (9,010) | (7,929) | (6,978) | (6,140) |

## Project No: 89900607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 1,420,475 |
| 120: Overtime-General | - | - | - | 465,218 |
| 350: Material Issues-Major | - | - | - | 4,398,564 |
| 370: Outside Services | 6,265 | 6,265 | 6,265 | 6,132,410 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | 37,594 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 676,759 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (4,032,436) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 140,254 |
| 914: Pension and Benefits | - | - | - | 500,644 |
| 915: Injuries and Damages | - | - | - | 146,502 |
| 921: Stores Load | - | - | - | 477,928 |
| 922: Minor Material Load | - | - | - | 523,468 |
| 925: E&S Loads | 439 | 439 | 439 | 2,018,296 |
| 926: A&G Loads | 235 | 235 | 235 | 793,976 |
| 928: AFUDC Debt | - | - | - | 908 |
| 929: AFUDC Equity | - | - | - | 278 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (10,884) | (10,352) | (9,884) | (12,325,070) |
| 825: Closing Cost of Removal | (1,458) | (1,342) | (1,239) | (1,308,922) |
| Project Net | (5,404) | (4,755) | (4,184) | 66,846 |

## Project No: 89900607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 1,420,475 | - | - | - | 1,420,475 | - | - | - |
| 120: Overtime-General | 465,218 | - | - | - | 465,218 | - | - | - |
| 350: Material Issues-Major | 4,398,564 | - | - | - | 4,398,564 | - | - | - |
| 370: Outside Services | 6,132,410 | 6,265 | 6,265 | 6,265 | 6,151,205 | 6,162 | 6,162 | 6,162 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 37,594 | - | - | - | 37,594 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 676,759 | - | - | - | 676,759 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (4,032,436) | - | - | - | (4,032,436) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 140,254 | - | - | - | 140,254 | - | - | - |
| 914: Pension and Benefits | 500,644 | - | - | - | 500,644 | - | - | - |
| 915: Injuries and Damages | 146,502 | - | - | - | 146,502 | - | - | - |
| 921: Stores Load | 477,928 | - | - | - | 477,928 | - | - | - |
| 922: Minor Material Load | 523,468 | - | - | - | 523,468 | - | - | - |
| 925: E&S Loads | 2,018,296 | 439 | 439 | 439 | 2,019,611 | 431 | 431 | 431 |
| 926: A&G Loads | 793,976 | 235 | 235 | 235 | 794,681 | 216 | 216 | 216 |
| 928: AFUDC Debt | 908 | - | - | - | 908 | - | - | - |
| 929: AFUDC Equity | 278 | - | - | - | 278 | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (12,325,070) | (9,472) | (9,110) | (8,791) | (12,352,443) | (8,496) | (8,237) | (8,008) |
| 825: Closing Cost of Removal | (1,308,922) | (1,148) | (1,069) | (999) | (1,312,138) | (936) | (881) | (833) |
| Project Net | 66,846 | (3,682) | (3,240) | (2,852) | 57,072 | (2,623) | (2,308) | (2,031) |

## Project No: 89900607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 1,420,475 |
| 120: Overtime-General | - | - | - | - | - | - | 465,218 |
| 350: Material Issues-Major | - | - | - | - | - | - | 4,398,564 |
| 370: Outside Services | 6,162 | 6,162 | 6,162 | 6,162 | 6,162 | 6,162 | 6,206,663 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 37,594 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 676,759 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (4,032,436) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 140,254 |
| 914: Pension and Benefits | - | - | - | - | - | - | 500,644 |
| 915: Injuries and Damages | - | - | - | - | - | - | 146,502 |
| 921: Stores Load | - | - | - | - | - | - | 477,928 |
| 922: Minor Material Load | - | - | - | - | - | - | 523,468 |
| 925: E&S Loads | 431 | 431 | 431 | 431 | 431 | 431 | 2,023,493 |
| 926: A&G Loads | 216 | 216 | 216 | 216 | 216 | 216 | 796,627 |
| 928: AFUDC Debt | - | - | - | - | - | - | 908 |
| 929: AFUDC Equity | - | - | - | - | - | - | 278 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (7,807) | (7,630) | (7,475) | (7,338) | (7,217) | (7,111) | (12,421,761) |
| 825: Closing Cost of Removal | (790) | (752) | (719) | (690) | (665) | (642) | (1,319,046) |
| Project Net | (1,787) | (1,573) | (1,384) | (1,218) | (1,072) | (943) | 42,132 |

## Project No: 89900707 Distr. system Improvements

Company: 001 Electric Services
Location: 899 Bernalillo Division

**Project Information**

| County % | | |
|---|---|---|
| | Sandoval | 94% |
| | Bernalillo | 6% |

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

This project provides for numerous distribution facility improvements including the design and installation of conduit systems, cable, wire, poles, overhead and underground switches, voltage and power factor supporting devices, and protection equipment. System improvements can include new capacitor banks, voltage regulators, protective devices, upgraded wires and supervisory control and data acquisitions (SCADA) devices.

## Project No: 89900707 Distr. system Improvements

Project Need Justification

Annual load analyses and modeling of the distribution system may identify operational issues caused by normal load growth requiring system improvements to maintain voltage requirements and/or reliability. Additionally, a need for system improvements can be identified while designing other projects, such as through line patrols, or from outage investigations. These improvements are necessary to meet the standards for service as required of New Mexico Administrative Code (NMAC) Rule 17.9.560.15.

**Project No:** **89900707** **Distr. system Improvements**

Project Alternatives

The only alternative is to do nothing. This would limit the Company's ability to identify operational issues and access system improvements that would allow for more effective operations.

**Project No:** **89900707** **Distr. system Improvements**

| | |
|---|---|
| Project Estimate Approach | Historical spend is used as a guide to estimate future funding for the project. The initial budget for this project was developed by applying labor and non-labor cost escalation factors to the most recent 12-month actual spend. |

**Project No:** **89900707** **Distr. system Improvements**

| | |
|---|---|
| Customer Benefit | Customers benefit from maintained service integrity and enhanced reliability that can be negatively impacted by normal load growth. |

## Project No: 89900707 Distr. system Improvements

| | |
|---|---|
| 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 outlined in this project. |
| Customer Delivery | |
| Energy Transition | |

## Project No: 89900707 Distr. system Improvements

General Services

Reliability & Resiliency

This project helps increase system reliability by ensuring load growth capacities are met, thereby reducing the risk of outages due to overloads. The project also improves system reliability by adding equipment and components which will significantly reduce the duration of outages when they occur.

Safety & Security

Technology Advancements

## Project No: 89900707 Distr. system Improvements

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 566,307 | - | - | - | - | - | - | 566,307 |
| 120: Overtime-General | 90,527 | - | - | - | - | - | - | 90,527 |
| 350: Material Issues-Major | 2,744,700 | - | - | - | - | - | - | 2,744,700 |
| 370: Outside Services | 3,784,234 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 11,976 | 3,921,210 |
| 374: Outside Services Legal | 13,582 | - | - | - | - | - | - | 13,582 |
| 377: Outside Svcs-Temp Labor | 9,242 | - | - | - | - | - | - | 9,242 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 169,586 | - | - | - | - | - | - | 169,586 |
| 805: Land and Land Rights | 6,000 | - | - | - | - | - | - | 6,000 |
| 807: Non Refundable Contrib | (307,553) | - | - | - | - | - | - | (307,553) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 48,289 | - | - | - | - | - | - | 48,289 |
| 914: Pension and Benefits | 174,918 | - | - | - | - | - | - | 174,918 |
| 915: Injuries and Damages | 53,901 | - | - | - | - | - | - | 53,901 |
| 921: Stores Load | 228,394 | - | - | - | - | - | - | 228,394 |
| 922: Minor Material Load | 242,467 | - | - | - | - | - | - | 242,467 |
| 925: E&S Loads | 1,022,421 | 1,625 | 1,625 | 1,625 | 1,625 | 1,625 | 778 | 1,031,325 |
| 926: A&G Loads | 435,070 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 623 | 442,193 |
| 928: AFUDC Debt | 116,499 | 1,112 | 1,044 | 983 | 930 | 883 | 824 | 122,276 |
| 929: AFUDC Equity | 136,873 | 1,185 | 1,112 | 1,048 | 991 | 941 | 879 | 143,029 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (8,651,384) | (56,103) | (52,746) | (49,777) | (47,151) | (44,828) | (41,146) | (8,943,134) |
| 825: Closing Cost of Removal | (412,055) | (4,166) | (3,900) | (3,667) | (3,461) | (3,281) | (2,999) | (433,529) |
| Project Net | 472,019 | (30,047) | (26,565) | (23,487) | (20,766) | (18,360) | (29,064) | 323,730 |

## Project No: 89900707 Distr. system Improvements

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 566,307 | - | - | - | - | - | - |
| 120: Overtime-General | 90,527 | - | - | - | - | - | - |
| 350: Material Issues-Major | 2,744,700 | - | - | - | - | - | - |
| 370: Outside Services | 3,921,210 | 11,997 | 11,997 | 11,997 | 11,997 | 11,997 | 11,997 |
| 374: Outside Services Legal | 13,582 | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 9,242 | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 169,586 | - | - | - | - | - | - |
| 805: Land and Land Rights | 6,000 | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (307,553) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 48,289 | - | - | - | - | - | - |
| 914: Pension and Benefits | 174,918 | - | - | - | - | - | - |
| 915: Injuries and Damages | 53,901 | - | - | - | - | - | - |
| 921: Stores Load | 228,394 | - | - | - | - | - | - |
| 922: Minor Material Load | 242,467 | - | - | - | - | - | - |
| 925: E&S Loads | 1,031,325 | 840 | 840 | 840 | 840 | 840 | 840 |
| 926: A&G Loads | 442,193 | 450 | 450 | 450 | 450 | 450 | 450 |
| 928: AFUDC Debt | 122,276 | 684 | 631 | 584 | 542 | 506 | 473 |
| 929: AFUDC Equity | 143,029 | 925 | 853 | 790 | 734 | 684 | 640 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (8,943,134) | (37,884) | (34,999) | (32,447) | (30,189) | (28,192) | (26,425) |
| 825: Closing Cost of Removal | (433,529) | (2,751) | (2,532) | (2,340) | (2,171) | (2,022) | (1,891) |
| Project Net | 323,730 | (25,740) | (22,761) | (20,127) | (17,797) | (15,738) | (13,916) |

## Project No: 89900707 Distr. system Improvements

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 566,307 |
| 120: Overtime-General | - | - | - | 90,527 |
| 350: Material Issues-Major | - | - | - | 2,744,700 |
| 370: Outside Services | 11,997 | 11,997 | 11,997 | 4,029,183 |
| 374: Outside Services Legal | - | - | - | 13,582 |
| 377: Outside Svcs-Temp Labor | - | - | - | 9,242 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 169,586 |
| 805: Land and Land Rights | - | - | - | 6,000 |
| 807: Non Refundable Contrib | - | - | - | (307,553) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 48,289 |
| 914: Pension and Benefits | - | - | - | 174,918 |
| 915: Injuries and Damages | - | - | - | 53,901 |
| 921: Stores Load | - | - | - | 228,394 |
| 922: Minor Material Load | - | - | - | 242,467 |
| 925: E&S Loads | 840 | 840 | 840 | 1,038,883 |
| 926: A&G Loads | 450 | 450 | 450 | 446,242 |
| 928: AFUDC Debt | 444 | 419 | 396 | 126,954 |
| 929: AFUDC Equity | 601 | 567 | 536 | 149,359 |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (24,862) | (23,480) | (22,257) | (9,203,869) |
| 825: Closing Cost of Removal | (1,776) | (1,674) | (1,585) | (452,271) |
| Project Net | (12,306) | (10,882) | (9,623) | 174,841 |

## Project No: 89900707 Distr. system Improvements

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 566,307 | - | - | - | 566,307 | - | - | - |
| 120: Overtime-General | 90,527 | - | - | - | 90,527 | - | - | - |
| 350: Material Issues-Major | 2,744,700 | - | - | - | 2,744,700 | - | - | - |
| 370: Outside Services | 4,029,183 | 11,997 | 11,997 | 11,997 | 4,065,174 | 11,775 | 11,775 | 11,775 |
| 374: Outside Services Legal | 13,582 | - | - | - | 13,582 | - | - | - |
| 377: Outside Svcs-Temp Labor | 9,242 | - | - | - | 9,242 | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 169,586 | - | - | - | 169,586 | - | - | - |
| 805: Land and Land Rights | 6,000 | - | - | - | 6,000 | - | - | - |
| 807: Non Refundable Contrib | (307,553) | - | - | - | (307,553) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 48,289 | - | - | - | 48,289 | - | - | - |
| 914: Pension and Benefits | 174,918 | - | - | - | 174,918 | - | - | - |
| 915: Injuries and Damages | 53,901 | - | - | - | 53,901 | - | - | - |
| 921: Stores Load | 228,394 | - | - | - | 228,394 | - | - | - |
| 922: Minor Material Load | 242,467 | - | - | - | 242,467 | - | - | - |
| 925: E&S Loads | 1,038,883 | 840 | 840 | 840 | 1,041,402 | 824 | 824 | 824 |
| 926: A&G Loads | 446,242 | 450 | 450 | 450 | 447,592 | 413 | 413 | 413 |
| 928: AFUDC Debt | 126,954 | 376 | 359 | 343 | 128,033 | 323 | 310 | 300 |
| 929: AFUDC Equity | 149,359 | 509 | 486 | 464 | 150,818 | 509 | 490 | 473 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,203,869) | (21,175) | (20,218) | (19,372) | (9,264,635) | (18,599) | (17,916) | (17,311) |
| 825: Closing Cost of Removal | (452,271) | (1,506) | (1,437) | (1,376) | (456,591) | (1,320) | (1,271) | (1,228) |
| Project Net | 174,841 | (8,509) | (7,524) | (6,654) | 152,154 | (6,075) | (5,374) | (4,754) |

## Project No: 89900707 Distr. system Improvements

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 566,307 |
| 120: Overtime-General | - | - | - | - | - | - | 90,527 |
| 350: Material Issues-Major | - | - | - | - | - | - | 2,744,700 |
| 370: Outside Services | 11,775 | 11,775 | 11,775 | 11,775 | 11,775 | 11,775 | 4,171,149 |
| 374: Outside Services Legal | - | - | - | - | - | - | 13,582 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | 9,242 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 169,586 |
| 805: Land and Land Rights | - | - | - | - | - | - | 6,000 |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (307,553) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 48,289 |
| 914: Pension and Benefits | - | - | - | - | - | - | 174,918 |
| 915: Injuries and Damages | - | - | - | - | - | - | 53,901 |
| 921: Stores Load | - | - | - | - | - | - | 228,394 |
| 922: Minor Material Load | - | - | - | - | - | - | 242,467 |
| 925: E&S Loads | 824 | 824 | 824 | 824 | 824 | 824 | 1,048,820 |
| 926: A&G Loads | 413 | 413 | 413 | 413 | 413 | 413 | 451,311 |
| 928: AFUDC Debt | 290 | 281 | 274 | 267 | 261 | 256 | 130,595 |
| 929: AFUDC Equity | 457 | 444 | 432 | 421 | 412 | 404 | 154,861 |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (16,775) | (16,301) | (15,882) | (15,511) | (15,183) | (14,892) | (9,413,005) |
| 825: Closing Cost of Removal | (1,190) | (1,157) | (1,127) | (1,101) | (1,078) | (1,058) | (467,122) |
| Project Net | (4,205) | (3,720) | (3,291) | (2,911) | (2,575) | (2,278) | 116,970 |

## Project No: 90000607 Distr. Remove & Replace

Company: 001 Electric Services
Location: 900 Clayton Division

**Project Information** County % Union 100%

Estimated Start Date 1/1/2007

Estimated Completion Date 12/31/2032

Description

The purpose of this project is to remove and replace existing electric distribution facilities that have been damaged or have deteriorated through normal aging and to relocate electric distribution facilities that are in road rights-of-ways. Work will include the design, installation, and removal of wire, poles, pole hardware (e.g., insulators, cross arms, cut outs and anchor assemblies), overhead and underground switches, protection equipment, underground cable and conduits, and other equipment.

## Project No: 90000607 Distr. Remove & Replace

Project Need Justification

The replacement of failed equipment within the service area and other requirements in relation to various government-led roadway improvement projects are key drivers for this project. The work is required under franchise agreements or as necessary for maintaining system integrity and/or restoring power after storms.

Distribution facilities installed within the franchiser's road rights-of-ways (ROW) must be relocated by PNM under the terms and conditions of the franchise agreement when such facilities conflict with a road re-alignment or road widening project. When facilities become damaged or deteriorate under normal wear, these facilities must be replaced in order to maintain a safe and reliable distribution power delivery system.

**Project No:** **90000607** **Distr. Remove & Replace**

Project Alternatives

The only alternative is to do nothing. However, this project is required by the government and is necessary to restore lost service. Therefore, doing nothing is not a feasible alternative.

## Project No: 90000607 Distr. Remove & Replace

| | |
|---|---|
| Project Estimate Approach | PNM provides documentation of the facilities that will need to be relocated and a cost estimate is given at the time damage from a storm, vermin or other unforeseen event. Historical spend in this funding project is analyzed to develop this project's estimated spend. The initial budget for this project is developed by applying labor and non-labor escalation factors to the most recent 12-month actual spend. |

**Project No:** **90000607** **Distr. Remove & Replace**

| | |
|---|---|
| Customer Benefit | Customers benefit from expedited outage restoration and an increase in equipment reliability by maintaining the distribution system integrity. |

## Project No: 90000607 Distr. Remove & Replace

| | |
|---|---|
| Primary Value Driver | Reliability & Resiliency |
| Compliance | Some of the project funds are used to stay in compliance with franchise agreements when it is necessary to relocate facilities due to street widening projects or re-alignments. |
| Customer Delivery | |
| Energy Transition | |

**Project No:** **90000607** **Distr. Remove & Replace**

General Services

Reliability & Resiliency

Some of the project funds are used for outage restoration by the replacement of damaged equipment and equipment taken out of service by storms or other events and bringing them up to current standards. In addition, when PNM needs to stay in compliance with franchise agreements when the relocation is designed, new equipment and facilities will be at current standards. Thus, improving the distribution system's integrity and reliability.

Safety & Security

Technology Advancements

## Project No: 90000607 Distr. Remove & Replace

| | BegBal-Jul26 | Jul26 | Aug26 | Sep26 | Oct26 | Nov26 | Dec26 | EndBal-26 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 66,315 | - | - | - | - | - | - | 66,315 |
| 120: Overtime-General | 44,265 | - | - | - | - | - | - | 44,265 |
| 350: Material Issues-Major | 70,807 | - | - | - | - | - | - | 70,807 |
| 370: Outside Services | 126,418 | - | - | - | - | - | - | 126,418 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 65,968 | - | - | - | - | - | - | 65,968 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (48,114) | - | - | - | - | - | - | (48,114) |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,242 | - | - | - | - | - | - | 8,242 |
| 914: Pension and Benefits | 27,824 | - | - | - | - | - | - | 27,824 |
| 915: Injuries and Damages | 9,634 | - | - | - | - | - | - | 9,634 |
| 921: Stores Load | 3,629 | - | - | - | - | - | - | 3,629 |
| 922: Minor Material Load | 6,057 | - | - | - | - | - | - | 6,057 |
| 925: E&S Loads | 41,921 | - | - | - | - | - | - | 41,921 |
| 926: A&G Loads | 16,609 | - | - | - | - | - | - | 16,609 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (347,912) | - | - | - | - | - | - | (347,912) |
| 825: Closing Cost of Removal | (91,662) | - | - | - | - | - | - | (91,662) |
| Project Net | 0 | - | - | - | - | - | - | 0 |

## Project No: 90000607 Distr. Remove & Replace

| | BegBal-27 | Jan27 | Feb27 | Mar27 | Apr27 | May27 | Jun27 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 66,315 | - | - | - | - | - | - |
| 120: Overtime-General | 44,265 | - | - | - | - | - | - |
| 350: Material Issues-Major | 70,807 | - | - | - | - | - | - |
| 370: Outside Services | 126,418 | 2,252 | 2,252 | 2,252 | 2,252 | 2,252 | 2,252 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | 65,968 | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (48,114) | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,242 | - | - | - | - | - | - |
| 914: Pension and Benefits | 27,824 | - | - | - | - | - | - |
| 915: Injuries and Damages | 9,634 | - | - | - | - | - | - |
| 921: Stores Load | 3,629 | - | - | - | - | - | - |
| 922: Minor Material Load | 6,057 | - | - | - | - | - | - |
| 925: E&S Loads | 41,921 | 158 | 158 | 158 | 158 | 158 | 158 |
| 926: A&G Loads | 16,609 | 84 | 84 | 84 | 84 | 84 | 84 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (347,912) | (278) | (523) | (739) | (929) | (1,095) | (1,242) |
| 825: Closing Cost of Removal | (91,662) | (21) | (39) | (56) | (70) | (82) | (94) |
| Project Net | 0 | 2,195 | 1,931 | 1,700 | 1,496 | 1,316 | 1,158 |

## Project No: 90000607 Distr. Remove & Replace

| | Jul27 | Aug27 | Sep27 | EndBal-Sep27 |
|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 66,315 |
| 120: Overtime-General | - | - | - | 44,265 |
| 350: Material Issues-Major | - | - | - | 70,807 |
| 370: Outside Services | 2,252 | 2,252 | 2,252 | 146,686 |
| 374: Outside Services Legal | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - |
| 610: Expenses - General | - | - | - | 65,968 |
| 805: Land and Land Rights | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | (48,114) |
| 829: Construction Adjustment | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 8,242 |
| 914: Pension and Benefits | - | - | - | 27,824 |
| 915: Injuries and Damages | - | - | - | 9,634 |
| 921: Stores Load | - | - | - | 3,629 |
| 922: Minor Material Load | - | - | - | 6,057 |
| 925: E&S Loads | 158 | 158 | 158 | 43,339 |
| 926: A&G Loads | 84 | 84 | 84 | 17,369 |
| 928: AFUDC Debt | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - |
| 825: Closing Addition | (1,372) | (1,485) | (1,585) | (357,161) |
| 825: Closing Cost of Removal | (103) | (112) | (119) | (92,358) |
| Project Net | 1,019 | 897 | 789 | 12,502 |

## Project No: 90000607 Distr. Remove & Replace

| | BegBal-Oct27 | Oct27 | Nov27 | Dec27 | EndBal-27 | Jan28 | Feb28 | Mar28 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 66,315 | - | - | - | 66,315 | - | - | - |
| 120: Overtime-General | 44,265 | - | - | - | 44,265 | - | - | - |
| 350: Material Issues-Major | 70,807 | - | - | - | 70,807 | - | - | - |
| 370: Outside Services | 146,686 | 2,252 | 2,252 | 2,252 | 153,442 | 2,215 | 2,215 | 2,215 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 65,968 | - | - | - | 65,968 | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | (48,114) | - | - | - | (48,114) | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 8,242 | - | - | - | 8,242 | - | - | - |
| 914: Pension and Benefits | 27,824 | - | - | - | 27,824 | - | - | - |
| 915: Injuries and Damages | 9,634 | - | - | - | 9,634 | - | - | - |
| 921: Stores Load | 3,629 | - | - | - | 3,629 | - | - | - |
| 922: Minor Material Load | 6,057 | - | - | - | 6,057 | - | - | - |
| 925: E&S Loads | 43,339 | 158 | 158 | 158 | 43,812 | 155 | 155 | 155 |
| 926: A&G Loads | 17,369 | 84 | 84 | 84 | 17,622 | 78 | 78 | 78 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (357,161) | (1,674) | (1,751) | (1,819) | (362,405) | (1,874) | (1,922) | (1,965) |
| 825: Closing Cost of Removal | (92,358) | (126) | (132) | (137) | (92,753) | (141) | (145) | (148) |
| Project Net | 12,502 | 695 | 611 | 538 | 14,345 | 433 | 381 | 335 |

## Project No: 90000607 Distr. Remove & Replace

| | Apr28 | May28 | Jun28 | Jul28 | Aug28 | Sep28 | EndBal-Sep28 |
|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | 66,315 |
| 120: Overtime-General | - | - | - | - | - | - | 44,265 |
| 350: Material Issues-Major | - | - | - | - | - | - | 70,807 |
| 370: Outside Services | 2,215 | 2,215 | 2,215 | 2,215 | 2,215 | 2,215 | 173,377 |
| 374: Outside Services Legal | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | 65,968 |
| 805: Land and Land Rights | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | (48,114) |
| 829: Construction Adjustment | - | - | - | - | - | - | - |
| 903: SJ Switchyard AR-Labor | - | - | - | - | - | - | - |
| 904: SJ Switchyard AR-Other | - | - | - | - | - | - | - |
| 908: Luna AR - Labor | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | 8,242 |
| 914: Pension and Benefits | - | - | - | - | - | - | 27,824 |
| 915: Injuries and Damages | - | - | - | - | - | - | 9,634 |
| 921: Stores Load | - | - | - | - | - | - | 3,629 |
| 922: Minor Material Load | - | - | - | - | - | - | 6,057 |
| 925: E&S Loads | 155 | 155 | 155 | 155 | 155 | 155 | 45,208 |
| 926: A&G Loads | 78 | 78 | 78 | 78 | 78 | 78 | 18,322 |
| 928: AFUDC Debt | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,002) | (2,035) | (2,064) | (2,090) | (2,112) | (2,132) | (380,601) |
| 825: Closing Cost of Removal | (151) | (153) | (155) | (157) | (159) | (160) | (94,122) |
| Project Net | 295 | 259 | 228 | 201 | 177 | 156 | 16,810 |

**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, Wesley W. Gray, 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/ *Wesley W. Gray*
**WESLEY W. GRAY**

*GCG#536042*