ADVICE NOTICE NO. 255

June 8, 2015

NEW MEXICO PUBLIC REGULATION COMMISSION OF THE STATE OF NEW MEXICO

Southwestern Public Service Company ("SPS") hereby gives notice to the public and the Commission of the filing and publishing of the following changes and additions in tariff schedules that are attached hereto in addition to the revisions to the tariffs listed below.

SPS is also proposing to change two Rule Tariffs. The rule revisions are listed at the bottom of this notice.

Rate No.	Title of Sheet	Canceling Rate No.	Effective Date
Seventy-Seventh Rev.	Table of Contents – Electric Rate Schedules	Seventy-Sixth Rev.	See Note 1 Below
Eleventh Rev. 1	Residential Service	Tenth Rev. 1	See Note 1 Below
Seventh Rev. 3	Irrigation Power Service	Sixth Rev. 3	See Note 1 Below
Thirty-Fourth Rev. 4	Purchases from Qualifying Facilities	Thirty-Third Rev. 4	See Note 1 Below
Tenth Rev. 6	Small General Service	Ninth Rev.6	See Note 1 Below
Tenth Rev. 13	Primary General Service	Ninth Rev. 13	See Note 1 Below
Ninth Rev. 14	Municipal Street Lighting Service	Eighth Rev. 14	See Note 1 Below
Ninth Rev. 16	Large Municipal and School Service	Eighth Rev. 16	See Note 1 Below
Eighth Rev. 26	Miscellaneous Service Charge	Seventh Rev. 26	See Note 1 Below
Sixth Rev. 27	SLCA Integrated Projects Energy Rider for Cannon Air Force Base	Fifth Rev. 27	See Note 1 Below
Seventh Rev. 28	Area Lighting Service	Sixth Rev. 28	See Note 1 Below
Fifth Rev. 34	Large General Service – Transmission	Fourth Rev. 34	See Note 1 Below

Rate No.	Title of Sheet	Canceling Rate No.	Effective Date
Fourth Rev. 39	Residential Heating Service	Third Rev. 19	See Note 1 Below
Fourth Rev. 40	Secondary General Service	Third Rev. 40	See Note 1 Below
Fourth Rev. 42	Small Municipal and School Service	Third Rev. 42	See Note 1 Below
Third Rev. 50	Interruptible Credit Option	Second Rev. 50	See Note 1 Below
Seventh Rev. 52	Small Solar Distributed Generation Program	Sixth Rev. 52	See Note 1 Below
Seventh Rev. 53	Medium Solar Distributed Generation Program	Sixth Rev. 53	See Note 1 Below
Sixth Rev. 54	Large Solar Distributed Generation Program	Fifth Rev. 54	See Note 1 Below
Third Rev. 57	Small SDG-REC Purchases Program	Second Rev. 57	See Note 1 Below
Third Rev. 58	Medium SDG-REC Purchases Program	Second Rev. 58	See Note 1 Below
Third Rev. 59	Distributed Generation Standby Service	Second Rev. 59	See Note 1 Below
Third Rev. 62	3 rd Party Small Solar Distributed Generation Program	Second Rev. 62	See Note 1 Below
Third Rev. 63	3 rd Party Medium Solar Distributed	Second Rev. 63	See Note 1 Below
Second Rev. 64	3 rd Party Large Solar Distributed	First Rev. 64	See Note 1 Below
Second Rev. 65	3 rd Party Small Biomass Distributed	First Rev. 65	See Note 1 Below
Second Rev. 66	3 rd Party Medium Biomass Distributed	First Rev. 66	See Note 1 Below
Third Rev. 67	Standby Service Rider	Second Rev. 67	See Note 1 Below
First Rev. 72	Fuel and Purchased Power Cost Adjustment Clause	Original	See Note 1 Below
Original 73	General Service – Experimental Time of Use Rate		See Note 1 Below

Rate No.	Title of Sheet	Canceling Rate No.	Effective Date
Eleventh Rev.	Table of Contents	Tenth Rev.	See Note 1 Below
Eighth Rev. 16	Extension to Customers	Seventh Rev. 16	See Note 1 Below
Original Rev. 27	Temporary or Permanent Relocation/ Modification of Company Facilities		See Note 1 Below

Note 1: Under Sections 62-8-7(B) and (C) NMSA 1978, the proposed rates in Advice Notice No. 255 will become effective on July 8, 2015 unless the Commission suspends the proposed rates by that date. Under the Applicability section of each proposed rate, the rate is applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) determined by the Commission in Case No. 15-00139-UT under Section 62-8-7(C) NMSA 1978.

SOUTHWESTERN PUBLIC SERVICE COMPANY

Evan D. Evans

Regional Vice President, Rates and Regulatory Affairs

Southwestern Public Service Company

SEVENTY-SEVEN REVISED TABLE OF CONTENTS CANCELING SEVENTY-SIXTH REVISED TABLE OF CONTENTS ELECTRIC RATE SCHEDULES

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Rate No.	Tariff <u>No.</u>	Title	Territory	
			Except where otherwise stated; Artesia, Carlsbad, Clovis, Dexter, Eunice, Hagerman, Hobbs, Jal Lake Arthur, Loving, Malaga, Otis, Portales, Roswell, Texico, and Tucumcari	
1	1018.17	Residential Service		
3	2002.21	Irrigation Power Service		
4	3018.34	Purchases from Qualifying Facility		
6	3110.18	Small General Service		
13	4106.17	Primary General Service		
14	5027.12	Municipal Street Lighting Service		
16	6016.17	Large Municipal and School Service		
26	7004.8	Miscellaneous Service Charges		
27	4107.6	SLCA Integrated Projects Energy Rider	Cannon AFB, Clovis	
28	5118.7	Area Lighting Service		
31	7201.2	Photovoltaic Water Pumping Systems		

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Rate No.	Tariff No.	TitleTerritory	
		Except where otherwise stated; Artesia, Carlsbad, Clovis, Dexter, Eunice, Hagerman, Hobbs, Jal Lake Arthur, Loving, Malaga, Otis, Portales, Roswell, Texico, and Tucumcari	
33	7202.2	Renewable Energy Rate Rider	
34	4110.5	Large General Service - Transmission	
39	1017.4	Residential Heating Service	
40	4060.4	Secondary General Service	
42	6018.4	Small Municipal and School Service	
44	7203.10	Energy Efficiency Rider	
48	1022.1	Residential Controlled Air Conditioning and Water Heating Rider	
49	3009.1	Commercial and Industrial Controlled Air Conditioning Rider	
50	4040.3	Interruptible Credit Option	
52	5004.7	Small Solar Distributed Generation Program	
53	5005.7	Medium Solar Distributed Generation Program	
54	5006.6	Large Solar Distributed Generation Program	
57	5009.3	Small SDG-REC Purchase Program	

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Rate No.	Tariff <u>No.</u>	Title	Territory
		state Clov Hage Lake Mala Rosv	ept where otherwise d; Artesia, Carlsbad, vis, Dexter, Eunice, erman, Hobbs, Jal e Arthur, Loving, ga, Otis, Portales, vell, Texico, and mcari
58	5010.3	Medium SDG-REC Purchase Program	
59	5011.3	Distributed Generation Standby Service	
60	5012.1	Voluntary Load Reduction Purchase Option	
61	5013.1	Summer Only Interruptible Credit Option	
62	5014.3	3 rd Party Small Solar Distributed Generation	Program
63	5015.3	3 rd Party Medium Solar Distributed Generation	on Program
64	5016.2	3 rd Party Large Solar Distributed Generation	Program
65	5017.2	3 rd Party Small Biomass Distributed Generation	on Program
66	5018.2	3 rd Party Medium Biomass Distributed Gener	ation Program
67	4026.3	Standby Service Rider	
70	7204.1	Renewable Portfolio Cost Rider	
72	7107.1	Fuel and Purchased Power Cost Adjustment C	Clause
73	4030	General Service – Experimental Time of Use	Rate

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REGIONAL VICE PRESIDENT RATES AND

ELEVENTH REVISED RATE NO. 1 CANCELING TENTH REVISED RATE NO. 1

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RESIDENTIAL SERVICE

Tariff No. 1018.17

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APPLICABILITY: To residential Customers for electric service used for domestic purposes in private residences and separately metered individual apartments when all service is supplied at one point of delivery, and measured through one kilowatt hour (kWh) meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Single-phase motors not to exceed 10 horsepower, individual capacity, may be served under this rate.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

X

 \mathbf{X}

TERRITORY: All areas served by Company in New Mexico.

RATE: Service Availability Charge: \$9.50 month.

X

Energy Charge:

\$0.090781 per kWh for all kWh used per month during winter months

X

\$0.100170 per kWh for all kWh used per month during summer months

X

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

ALTERNATE EXPERIMENTAL TIME OF USE RIDER

X

RATE: Service Availability Charge: \$10.50 per month.

Energy Charge:

\$0.080182 per kWh for all kWh used during Off-Peak hours \$0.213466 per kWh for all kWh used during On-Peak hours

X X

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ELEVENTH REVISED RATE NO. 1 CANCELING TENTH REVISED RATE NO. 1

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RESIDENTIAL SERVICE

Tariff No. 1018.17

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ON-PEAK HOURS: 12 p.m. through 6 p.m., Monday through Friday during the months of June through September.

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OFF-PEAK HOURS: All other hours not covered in the On-Peak period.

Availability limited to a maximum of 35 customers that qualify for service under Residential Service. Customers must contract for service under this experimental tariff for a minimum of 12 consecutive calendar months.

X

- **TERMS OF PAYMENT:** Net in 20 days after mailing date. If the Twentieth day falls on a holiday or weekend, the date will be the next workday.
- CHARACTER OF SERVICE: A-C; 60 hertz; secondary voltage, either single phase 120/240 volts; or where available, three phase 240 volts.
- LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.
- FRANCHISE FEE: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

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REGIONAL VICE PRESIDENT RATES AND

ELEVENTH REVISED RATE NO. 1 CANCELING TENTH REVISED RATE NO. 1

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RESIDENTIAL SERVICE

Tariff No. 1018.17

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AVERAGE MONTHLY PAYMENT: Upon request, any residential Customer may be billed monthly based on a levelized payment plan. A Customer's levelized monthly payment amount is calculated by obtaining the most recent twelve months of actual consumption and dividing that amount by twelve, and applying Company's current rates to the average kWh consumption. Company's current rates shall include Company's most recent applicable fuel and purchased power cost adjustment charge per kWh as specified by NMPRC Rule 550 (NMAC 17.9.550). Each levelized monthly payment account is automatically reviewed every three months. If the review shows an annual payment surplus or deficiency that exceeds a corporate-wide annual variance threshold, the account will be adjusted to reflect the most current average.

The account will be settled every twelve months. The settlement amount will be equal to the difference between the total of the prior twelve months' levelized payments and the actual billings for the corresponding most recent twelve month period. A Customer may enter the levelized payment plan during any month of the year and may exit the plan at any time by providing 30 days written notice and paying any balance due Company. Any over-collection will be credited on Customer's next regular billing.

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

RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission.

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REGIONAL VICE PRESIDENT RATES AND

SEVENTH REVISED RATE NO. 3 CANCELING SIXTH REVISED RATE NO. 3

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IRRIGATION POWER SERVICE

Tariff No. 2002.21

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APPLICABILITY: To Customers whose electric needs will mainly be for irrigation
purposes, with irrigation service being recognized by Company as when
Customers intend to use electric power to pump water to irrigate a tract of land on
a permanent basis with plans of producing a crop. Customers may only receive
service under the Irrigation Power Service rate if their motor load is equal to or
greater than 5 horsepower.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

X \mathbf{X}

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

RATE: Service Availability Charge: \$26.50 per month

X

Energy Charge: \$0.075203 per kWh for all kWh used during the month

 \mathbf{X}

Demand Charge:

\$ 1.56 per kW of demand used per month during each winter month \$ 2.25 per kW of demand used per month during each summer month X \mathbf{X}

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

ALTERNATE EXPERIMENTAL TIME OF USE RIDER

X

RATE: Service Availability Charge: \$28.50 per month.

X

Energy Charge:

\$0.059957 per kWh for all kWh used during Off-Peak hours

 $\overline{\mathbf{X}}$

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REGIONAL VICE PRESIDENT RATES AND

SEVENTH REVISED RATE NO. 3 CANCELING SIXTH REVISED RATE NO. 3

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IRRIGATION POWER SERVICE

Tariff No. 2002.21

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\$0.227604 per kWh for all kWh used during On-Peak hours

X

Demand Charge:

- \$ 1.56 per kW of demand used per month during each winter month
- \$ 2.25 per kW of demand used per month during each summer month
- ON-PEAK HOURS: 12 p.m. through 6 p.m., Monday through Friday during the months of June through September.
- **OFF-PEAK HOURS:** All other hours not covered in the On-Peak period.

Availability limited to a maximum of 20 customers that qualify for service under Irrigation Power Service. Customers must contract for service under this experimental tariff for a minimum of 12 consecutive calendar months.

- CHARACTER OF SERVICE: A-C; 60 hertz; single or three phase, at one available standard secondary voltage. Any existing irrigation Customers who received service at a primary voltage and received service at the irrigation power service rate prior to January 1st, 2014 will continue to receive service at the irrigation power service rate.
- LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.
- **TERMS OF PAYMENT:** Net in 20 days after mailing date. If the twentieth day falls on a holiday or weekend, the due date will be the next workday.
- FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

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SEVENTH REVISED RATE NO. 3 CANCELING SIXTH REVISED RATE NO. 3

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IRRIGATION POWER SERVICE

Tariff No. 2002.21

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

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THIRTY-FOURTH REVISED RATE NO. 4 CANCELING THIRTY-THIRD REVISED RATE NO. 4

X X

PURCHASES FROM QUALIFYING FACILITIES

Tariff No. 3018.34

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APPLICABILITY: This Tariff shall apply to purchases by Company of as-available Energy from a Qualifying Facility ("QF"), as that term is defined in this Tariff. This Tariff does not require or provide for any electric service by Company to the QF. The QF may request such service from Company, and if required by Company's applicable tariffs, the QF shall enter into separate contractual agreements with Company.

TERRITORY: This Tariff is applicable to the area served by Company in New Mexico.

DEFINITIONS:

"Applicable Legal Requirements" means all laws, Environmental Laws, statutes, tariffs, regulations, rules, treaties, ordinances, judgments, directives, Permits, decrees, approvals, interpretations, protocols, operating guides, injunctions, writs, orders, or other similar legal requirements of any Governmental Authority having jurisdiction over the Company or QF that may be in effect from time to time.

"Bid" means a commitment to pay a specific maximum price for a quantity of Energy.

"Company" means Southwestern Public Service Company, a New Mexico Corporation.

"Company's System" means the electric power generation, transmission, substation, and distribution facilities owned or operated by Company.

"Day-Ahead Locational Marginal Price" ("DALMP") means the hourly marketclearing price for Energy at a given Settlement Location as determined by the SPP through its Day-Ahead Market.

"Day-Ahead Market" means the financially binding market for Energy and Operating Reserve that is conducted by SPP on the day prior to the Operating Day.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

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THIRTY-FOURTH REVISED RATE NO. 4 CANCELING THIRTY-THIRD REVISED RATE NO. 4

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PURCHASES FROM QUALIFYING FACILITIES

Tariff No. 3018.34

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DEFINITIONS (cont.):

"Dispatch Instruction" means the communicated resource target energy MW output level at the end of the Dispatch Interval.

"Dispatch Interval" means the period of time for which SPP issues Dispatch Instructions for Energy and clears Operating Reserve in the Real-Time Balancing Market. The Dispatch Interval is currently 5 minutes.

"Energy" means an amount of electricity that is Bid or Offered, produced, purchased, consumed, sold or transmitted over a period of time, which is measured or calculated in megawatt hours (MWh).

"Environmental Laws" means any federal, state, or local law including statutes, regulations, rulings, orders, administrative interpretations, and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants, or processed wastewater or otherwise relating to the environment or hazardous substances.

"FERC" means the Federal Energy Regulatory Commission.

"Final Settlement Statement" means a statement created by the SPP at the end of the normally applicable period for adjustments, corrections or updates to SPP Market settlement statements, or upon adjustments in the event of disputed market settlement statements that result in resettlements. The expected normal Final Settlement Statement is to be delivered by SPP on the forty-seventh (47th) calendar day following the Operating Day.

"Good Utility Practice(s)" means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion

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PURCHASES FROM QUALIFYING FACILITIES

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DEFINITIONS (cont.)

of all others, but rather to be reasonably acceptable practices, methods, or acts used in the region.

"Governmental Authority" means any federal, state, local, or other governmental, regulatory, or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power, including without limitation the SPP, the FERC and the NMPRC or any successors thereof; provided, however, that such term does not include the QF, Company or any affiliate thereof.

"Initial Settlement Statement" means a statement created by the SPP at the end of the seventh (7th) calendar day following the Operating Day.

"Interconnection Agreement" means an agreement between the QF and the Interconnection Provider, and, if applicable, the SPP, which provides for interconnection of the QF to the Interconnection Provider's system, as such agreement may be amended from time to time by mutual agreement of Company and QF or by Applicable Legal Requirements.

"Interconnection Provider" means Company or another person or entity that owns and/or operates the distribution and transmission lines and the other equipment and facilities to which the QF interconnects at the Point of Delivery. A QF must have an Interconnection Agreement with the Interconnection Provider.

"Intermediate QF" means a QF with an aggregate nameplate capacity of more than 10 kW but less than one MW interconnected to SPS's transmission or distribution system.

"Large QF" means a QF with an aggregate nameplate capability of one MW or greater interconnected to SPS's transmission or distribution system.

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PURCHASES FROM QUALIFYING FACILITIES

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DEFINITIONS (cont.)

"Locational Marginal Price" ("LMP") means the market clearing price for Energy at a given Settlement Location as determined by the SPP.

"MW" means megawatt.

"MWh" means megawatt hour.

"NAESB" means the North American Energy Standards Board.

"NERC" means the North American Electric Reliability Corporation, or any successor organization.

"NMPRC" means the New Mexico Public Regulation Commission.

"Offer" means a commitment to sell a quantity of Energy at a specific minimum price.

"Operating Day" means the daily period beginning at midnight.

"Operating Reserve" means resource capacity held in reserve for resource contingencies and NERC control performance compliance.

"Parties" means Company and the QF.

"Party" means either Company or the QF.

"Point of Delivery" means the point at which the QF is delivering Energy to the Company's system where Company accepts title to and risk of loss for the Energy delivered by the QF to Company.

"Purchase Agreement" means the agreement that is attached to this schedule.

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PURCHASES FROM QUALIFYING FACILITIES

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DEFINITIONS (cont.)

"Qualifying Facility" ("QF") means a cogeneration facility or small power production facility which meets the criteria for qualification set forth in 18 C.F.R. Section 292.303.

"Real-Time Balancing Market" means the market operated by SPP continuously in real-time to balance generation and load.

"Real-Time Locational Marginal Price" ("RTLMP") means the five-minute market clearing price for Energy at a given Settlement Location as determined by the SPP through its Real-Time Balancing Market.

"RNU" means the Revenue Neutrality Uplift amounts calculated by the SPP.

"Service Availability Charge" means the amount charged to each QF to recover the costs of preparing and administering invoices.

"Setpoint Instruction" means the real-time desired MW output signal calculated for a specific resource by SPP's control system.

"Settlement Adjustment Charges" ("SAC") means the sum of adjustments to the Settlement Interval to account for SPP Market charges or credits applicable to the QF resource, including RNU, URD, and the allocation of unit commitment costs applied as part of SPP Market operations under the SPP Tariff.

"Settlement Interval" means the applicable period of Energy integration for the applicable market settlement function. In the Day-Ahead Market the settlement interval is hourly. In the Real-Time Balancing Market the settlement interval is each 5-minutes starting with the top of each hour.

"Settlement Location" means the location defined for the purpose of commercial operations and settlement in the SPP Market.

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PURCHASES FROM QUALIFYING FACILITIES

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DEFINITIONS (cont.)

"Small QF" means a QF with an aggregate nameplate capability of 10 kW or less interconnected to SPS's transmission or distribution system facilities.

"SPP" means the Southwest Power Pool, a non-profit corporation organized and existing under the laws of the State of Arkansas.

"SPP Market" means the regional energy market administered by SPP under its Integrated Marketplace tariff, initially scheduled to begin operations in the Spring of 2014, and any successor regional energy market design.

"SPP OATT" means the SPP Regional Open Access Transmission Tariff.

"System Emergency" means a condition on the utility's system which is likely to result in imminent significant disruption of service to customers or is imminently likely to endanger life or property.

"Tariff" means this tariff, which is Company's rate schedule for the purchase of asavailable energy from QFs in New Mexico.

"Uninstructed Resource Deviation" ("URD") means the average MW amount of actual resource output in a Dispatch Interval above or below the resource's average Setpoint Instruction in the Dispatch Interval.

SPP MARKET REGISTRATION: Company is a member of the SPP Regional Transmission Organization and participates in the SPP Market, pursuant to Attachment AE of the SPP OATT.

A. QFs that Elect to Self-Register with SPP

Any QF that is eligible under the SPP OATT, including a Large QF, may elect to register itself in the SPP Market. If a QF elects to register itself, Company shall purchase the Energy made available to Company by the QF, but the QF shall be responsible for all obligations of a registrant in the SPP

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

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Market, including settling all applicable SPP Market-related charges directly with the SPP. Schedules to Company shall be based on the portion of forecast output from the resource that the QF elects to sell to Company under this Tariff and scheduled through the Day-Ahead Market.

B. QFs that Elect to be Registered by Company

Company will register a Large QF in the SPP Market only if the Large QF agrees to sell 100% of its energy output to Company. Company will not register a Large QF that sells less than 100% of its energy output to the Company. If the Large QF elects to have Company register the QF's facilities in the SPP Market, Company will register the Large QF in the SPP Market and will be responsible for providing the SPP with forecasts of the QF's output and managing the resource's participation in the SPP Market. A Large QF registered by Company shall not settle directly with the SPP for payment of any SPP Market charges.

A Large QF that elects to be registered by Company shall pay a one-time registration fee of \$1,000 at the time it requests registration by Company.

Company will not register an Intermediate QF or a Small QF with the SPP. A resource of less than 1 MW is not required to be registered in the SPP Market.

To the extent the SPP requires resource capability information relating to QF resources in this category, Company will provide such information to the SPP on behalf of the QF. The QF agrees to respond to any requests from Company for information necessary to support such requests for information from the SPP.

PURCHASE AGREEMENT: A QF that chooses to sell energy to SPS under this Tariff must execute the standard Purchase Agreement that is attached to this Tariff.

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THIRTY-FOURTH REVISED RATE NO. 4 CANCELING THIRTY-THIRD REVISED RATE NO. 4

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PURCHASES FROM QUALIFYING FACILITIES

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RATES:

Service Availability Charge: If the QF is taking electric service from Company under a New Mexico retail Tariff, there is no extra charge under this Tariff. If the QF is not a New Mexico retail customer of Company, the QF shall pay Company \$215.00 per month.

Company shall pay the QF for all Energy sold to Company by the QF. The method for calculating the rate payable to the QF shall depend on whether the QF elects to register its own facilities in the SPP Market, or whether it elects for Company to register the QF's facilities in the SPP Market.

A. QFs That Elect to Register in the SPP Market

A QF that elects to register its facilities in the SPP Market will receive a monthly payment that is the sum of all hourly settlements for that month. The hourly settlement for each hour shall be calculated according to the following formula:

Hourly Settlement_i = $DALMP_{QF,i} \times MWh_{DAQF,i} \times LF_{QF}$

where:

DALMP_{QF,i} = The Day-Ahead Locational Marginal Price at the registered resource Settlement Location associated with the QF for Settlement Interval i as expressed in dollars per megawatthour;

MWh_{DAQF,i} = Megawatt-hours scheduled to Company by QF during Settlement Interval i of the month in the SPP Day-Ahead Market:

LF_{OF} = Predetermined QF-specific loss factor

Self-registered QF resources shall settle all other applicable SPP Market charges and credits directly with the SPP.

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RATES (cont.):

Self-registered QF resources shall arrange for meter output information to be provided directly to the SPP Market for settlements through the meter data agent role established in the SPP Market tariff.

B. Large QFs That Elect for Company to Register their Facilities in the SPP Market

A Large QF that elects to have Company register the QF's facilities in the SPP Market will receive a monthly payment that is the sum of all hourly settlements for that month. The hourly settlement for each hour shall be calculated according to the following formula:

Hourly Settlement_i = $[(RTLMP_{QF,i} / 1000) \times kWh_{QF,i} \times LF_{QF}] - [SPP SAC]_{QF,i}$ where:

RTLMP_{QF,i} = The Real-Time Locational Marginal Price at the registered resource Settlement Location associated with the QF for Settlement Interval i as expressed in dollars per megawatthour;

kWh_{QF},_i = Kilowatt-hours delivered to Company by QF during Settlement Interval i;

SPP SAC _{QF,i} = Charges assessed by SPP in connection with the QF's operation in the SPP Market

LF_{QF} = Predetermined QF-specific loss factor

C. Intermediate and Small QFs

An Intermediate QF or Small QF will receive a monthly payment that is the sum of all hourly settlements for that month. The hourly settlement for each hour shall be calculated according to the following formula:

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RATES (cont.):

Hourly Settlement_i = $(RTLMP_{OF,i} / 1000) \times kWh_{OF,i} \times LF_{OF}$

where:

RTLMP_{QF,i} = The Real-Time Locational Marginal Price at the Settlement Location associated with the QF for Settlement Interval i as expressed in dollars per megawatt-hour;

kWh_{QF},_i = Kilowatt-hours delivered to Company by QF during Settlement Interval i;

 LF_{QF} = Predetermined QF-specific loss factor

Intermediate QFs and Small QFs do not have Settlement Locations. Therefore, the applicable RTLMP will be determined using the electrically closest Settlement Location as a proxy, as determined by Company.

D. Measurement of RTLMPs

RTLMPs used to determine rates applied to the settlement calculations payable to QFs shall be calculated using the shortest applicable SPP Market Settlement Interval LMP that matches the meter interval data available from the QF resource to quantify the QF's output. For example, RTLMPs of QFs with meters capable of measuring output at five-minute intervals will be calculated using five-minute intervals, but RTLMPs of QFs with meters capable of measuring output at hourly intervals will be calculated using hourly intervals.

PAYMENT: Company shall send a monthly statement and make a payment on or before the 20th calendar day of the month following the delivery of Energy. The payment will be based on data in the Initial Settlement Statement. Any changes or adjustments made in the Final Settlement Statement will be reflected in the monthly statement following such change or adjustment. The statement will show the summation of the Energy delivered by the QF, the LMP price for the Settlement Interval, any applicable SAC charges or credits assessed by the SPP, and the total credit amount due to the QF or the amount due Company.

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DELIVERY ARRANGEMENTS: For purchases under this schedule, Company shall be responsible for obtaining transmission service to deliver energy from the QF to Company's load.

To the extent permitted under SPP Market tariff rules, Company shall request firm transmission service from the SPP associated with delivery of the QF's Energy to Company's load. If applicable, non-firm transmission service will be utilized during the pendency of the firm transmission request.

If the SPP determines that no transmission upgrades are necessary for firm transmission service from the QF to Company's load, Company shall procure firm transmission service to deliver energy from the QF to Company's load.

If the SPP determines that transmission upgrades are necessary for firm transmission service from the QF to Company's load, Company shall continue to utilize the highest priority available transmission service to deliver energy from the QF to Company's load.

GENERAL OPERATIONS: At all times, the QF shall operate, maintain, and repair its facilities in accordance with the terms of this Tariff and any applicable SPP or NERC procedures or requirements, Good Utility Practice(s) and the Interconnection Agreement. The QF shall bear its own costs of operating, maintaining and repairing its facilities.

A Large QF shall provide Company with a dispatch control interface necessary to manage output as required for reliability. In the alternative, the Large QF shall staff and operate its facility as required to be responsive to Company's or SPP's request to curtail deliveries of non-firm energy.

DATA SHARING: A Large QF shall inform Company of any planned or unplanned outage or de-rate or any other significant change to the operating capability of the Large QF as soon as reasonably practicable so that Company can effectively manage its

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DATA SHARING (cont.):

obligations under this schedule and in the SPP Market, and to provide such other information regarding the Large QF as may be reasonably required.

For wind or solar resources, the Large QF shall provide to Company the operating specifications of the generating unit(s), along with historical and real-time meteorological data, unit availability, and operating data, including wind turbine operating data, for each of the units comprising the Large QF. The Parties will make reasonable efforts to implement a system to automatically communicate with onsite equipment in order to acquire data for actual monitored real-time data point information using communications mutually agreed upon by the Parties. Until such automated systems are established, upon request by Company, the Large QF will provide its operating specifications to Company, along with unit availability and historical wind speeds for wind Large QFs.

Each QF with wind turbines registered by Company shall provide the following information to Company:

(a) Turbine information:

Turbine manufacturer(s).

Turbine models, including any prefixes and suffixes if available.

Number of turbines.

Nameplate capacity of each turbine.

Hub height of the center of each turbine in meters above ground level.

Rotor blade diameter of each turbine in meters.

Temperature range of operation in degrees Celsius.

(b) Geographic information:

Longitude and latitude of the center of the wind facility.

Longitude and latitude of the met tower/nacelle anemometer.

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Each QF shall provide additional information regarding its operations that Company may reasonably request.

METERING DEVICES: The QF shall install Metering Devices consistent with this Tariff and the Purchase Agreement.

For a Large QF, Company shall install the metering necessary to determine separately (1) all the Energy produced by the QF's generator; and (2) all of the power consumed by the QF's loads.

A Large QF shall also install telemetry equipment as required by Company to ensure reliable operations.

All Metering Devices used to provide data for the computation of payments due under this Tariff shall be sealed and the seal may only be broken when the Metering Devices are to be inspected, tested, or adjusted in accordance with this Tariff. Both the QF and Company shall be given the opportunity to be present, with at least fifteen (15) calendar days' prior notice. The number, type, and location of Metering Devices shall be configured to accurately measure power purchases by Company from the QF. Either the QF or Company shall have the right to install and maintain a back-up metering device.

The Metering Devices may be inspected and tested by Company at its option at least once every twelve (12) months while making purchases under this Tariff, and the QF shall provide the appropriate ingress and egress to Company for completing such inspections according to the provisions of this Tariff.

If a Metering Device fails to register, or if the measurement made by a Metering Device is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Metering Device for both the amount of the inaccuracy and the period of the inaccuracy in the following manner:

If the Metering Device is found to be defective or inaccurate, Company and the QF shall use back-up metering, if installed, to determine the amount of the inaccuracy,

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METERING DEVICES (cont):

provided that the back-up metering has been tested and maintained in accordance with the provisions of this Tariff. If back-up metering is installed on the low side of the QF's step-up transformer, if back-up metering is unavailable, or if back-up metering is also found to be inaccurate by more than one percent (1.0%), Company and the QF shall estimate the amount of the necessary adjustment on the basis of the sum of the metered energy adjusted for historical line losses. If such information is not available, the estimate shall be based on deliveries of energy from the QF during periods of similar operating conditions when the Metering Device was metered accurately. The adjustment shall be made for the period during which inaccurate measurements were made.

If the QF and Company cannot agree on the actual period during which the inaccurate measurements were made, the period during which the measurements are to be adjusted shall be the shorter of (a) the last one-half of the period from the last test of the Metering Device to the test that found the Metering Device to be defective or inaccurate, or (b) one hundred eighty (180) calendar days immediately preceding the test that found the Metering Device to be defective or inaccurate.

To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Company, Company shall use the corrected measurements as determined in accordance with this Tariff to re-compute the amount due for the period of the inaccuracy and shall subtract the previous payments by Company for this period from the recomputed amount. If the difference indicates undercompensated production by the QF, the difference shall be paid by Company to the QF; if the difference indicates overcompensation for production by Company, that difference shall be paid by the QF to Company, or at the discretion of Company, may take the form of an offset against payments due to the QF by Company.

Payment of this difference by the owing party shall be made not later than thirty (30) calendar days after the owing party receives notice of the amount due, unless Company elects payment by way of an offset.

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METERING DEVICES (cont):

Each Large QF shall provide, at QFs own cost, sufficient communications capabilities to allow Company to remotely read the Metering Devices electronically. Company shall read the Metering Devices monthly. The Large QF shall provide

Company written notice within two (2) calendar days of the connection of any telephone communication hook up to the Metering Device or modifications thereto.

METERING OPTIONS:

A. Options Applicable Intermediate and Large QFs

QFs shall have the option to elect one of the following types of metering:

1. Load Displacement

If the QF elects primarily to serve its own load, Company will interconnect with a single meter or meter set measuring flow from Company to the QF. Billing for any power from Company will be at Company's approved tariff applicable to the service provided to the QF. There will be no additional customer charge and no payment by Company for any excess energy which might be generated by the QF.

2. Net Metering

If the QF elects net metering, Company shall install the metering necessary to determine the net energy from the QF to Company or from Company to the QF for each time-of-use or single period, as applicable, during a billing period. The net Energy delivered to either the QF or to Company is the difference between the Energy produced by the QF's generation and the energy that would have otherwise been supplied by Company to the QF absent the QF's generation.

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The net Energy delivered by the QF to Company shall be purchased by Company at Company's applicable time-of-use or single period Energy rate.

The QF shall be billed for the net Energy delivered from Company in accordance with the tariffs that are applicable to the QF absent the QF's generation. The QF shall also be billed for all demand and other charges in accordance with the applicable tariffs. At the end of the billing period, Company shall net all charges owed to Company by the QF and all payments owed by Company to the QF. If a net amount is owed to the QF for the billing period and is less than \$50, the payment amount may be carried over to the following billing period. If a net amount is owed to the QF and is \$50 or more, Company shall make the payment to the QF prior to the end of the next billing period.

If provision of the net metering option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for net metering, the QF shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

3. Separate Load Metering

If the QF elects separate load metering, Company shall install the metering necessary to determine separately (1) all the Energy produced by the QF's generator; and (2) all of the power consumed by the QF's loads. Company shall purchase all Energy produced by the QF's generator at the utility's applicable rate under this Tariff. The QF shall purchase all power consumed at the rate applicable to a retail customer in the Customer class of which the QF is a member.

C. Net Metering Provisions Applicable to Small QFs

When a Small QF is billed under a rate structure that does not include time-ofuse Energy pricing, a single Energy meter shall be used to implement net

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METERING OPTIONS (cont.):

metering of the QF unless an alternative arrangement is agreed to by Company and the QF. If either Company or the QF requests an alternative form of metering or additional metering that is not required to accomplish net metering or is for the convenience of the party, the party requesting the change in metering shall pay for the alternative or additional metering arrangement. If the QF elects to take electric service under any rate structure, including time-of-use, that requires the use of metering apparatus or a metering arrangement that is more costly than would otherwise be necessary absent the requirement for net metering, the QF shall be required to pay the additional incremental cost of the required metering equipment. Within ten days of receiving notification from the QF to interconnect, Company shall notify the QF of any metering costs. Charges for special metering costs shall be paid by the QF, or arrangements for payment agreed to between the QF and Company, prior to Company authorizing interconnected operation.

Company shall calculate the QF's bill for the billing period using net metering and with the following conditions: the QF shall be billed for service in accordance with the rate structure and monthly charges that the QF would be assigned if the QF had not interconnected as a QF. Net Energy produced or consumed on a monthly basis shall be measured in accordance with standard metering practices.

If the electricity supplied by Company exceeds electricity generated by the QF during a billing period, the QF shall be billed for the net Energy supplied by Company under the applicable rates.

If electricity generated by the QF exceeds the electricity supplied by the grid during a billing period, Company shall credit the QF on the next bill for the excess kWh generated, by crediting or paying the QF for the net energy supplied to Company at the applicable monthly energy rate set forth in this Tariff.

LINE EXTENSIONS: Company will make line extensions to QFs in accordance with its standard line extension policy.

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FRANCHISE FEES: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction the customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.

RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission.

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STANDARD METERING AND BILLING AGREEMENT FOR QUALIFYING FACILITIES
This AGREEMENT is made as of the day of, 20, by and between ("customer") and Southwestern Public Service Company ("Company") also
referred to collectively as "parties" and singularly as "party." Customer receives electric
service from Company at [location/address] under account
. Customer has located at these premises a qualifying facility ("QF")
as defined by 17.9.570 NMAC, which is interconnected to Company pursuant to an
interconnection agreement, attached as Exhibit (1). For good and valuable consideration,
customer desires to sell or provide electricity to Company from the QF and Company
desires to purchase or accept all the energy produced by the QF that is not consumed by
customer, and the parties agree to the following terms and conditions:
A. DEFINITIONS: Whenever used in the agreement, the following words and phrases
shall have the following meanings:
(1) agreement shall mean this agreement and all schedules, tariffs, attachments, exhibits, and appendices attached hereto and incorporated herein by reference;
(2) interconnection facilities shall mean all machinery, equipment, and fixtures required to be installed solely to interconnect and deliver power from the QF to the Company's system, including, but not limited to, connection, transformation, switching, metering, relaying, line and safety equipment and shall include all necessary additions to, and reinforcements of, the Company's system;
(3) prudent electrical practices shall mean those practices, methods and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully, and with safety, dependability, efficiency and economy;
(4) qualifying facility (QF) means a cogeneration facility or a small power production facility which meets the criteria for qualification contained in 18 C.F.R. Section 292.203;

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- (5) point of delivery means the geographical and physical location described on exhibit B hereto; such exhibit depicts the location of the QF's side of interconnection facilities where customer is to (sell and) deliver electric energy pursuant to this agreement or pursuant to a separate wheeling agreement;
- (6) termination means termination of this agreement and the rights and obligations of the parties under this agreement, except as otherwise provided for in this agreement;
- (7) suspension means suspension of the obligation of the Company to interconnect with and purchase electricity from the customer.
- B. TERM OF AGREEMENT: The original term of this agreement shall be for a period of one (1) year from the date of the execution of this agreement and shall continue thereafter from year to year until terminated as herein provided.
 - (1) Termination by customer. Termination of this agreement during and after the original term requires written notice to Company that this agreement will terminate in ninety (90) days. Customer may terminate this agreement without showing good cause.
 - (2) Termination by Company. Termination of this agreement during and after the original term requires written notice to customer that this agreement will terminate in ninety (90) days, unless otherwise provided. Company, in the exercise of this right, must show good cause for the termination.
 - (3) At any time the QF is sold, leased, assigned, or otherwise transferred, the seller or lessor of the QF shall notify Company and this agreement may be terminated at Company's option, for good cause, regardless of whether such transfer occurs during the original term or any renewal thereof. Such termination may be made with five (5) days written notice by Company.
 - (4) Should the customer default in the performance of any of the customer's obligations hereunder, Company may suspend interconnection, purchases, or both and if the default continues for more than 90 days after written notice by Company to Customer, Company may terminate this agreement. Termination or suspension shall not affect the obligation of Company to pay for energy already delivered or of customer to reimburse

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interconnection costs, or any cost then accrued. Upon termination, all amounts owed to the Company will become payable immediately.

- C. METER INSTALLATION, TESTING AND ACCESS TO PREMISES: Customer will be metered by a meter or meters as determined by Company to which Company is granted reasonable access.
 - (1) Customer shall supply, at its own expense, a suitable location for all meters and associated equipment. Customer shall provide a clearly understandable sketch or one-line diagram showing the qualifying facility, the interconnection equipment, breaker panel(s), disconnect switches and metering, to be attached to this agreement. Such location must conform to Company's meter location policy. The following metering options will be offered by Company:

 Customer shall provide and install a meter socket and any related interconnection equipment per Company's requirements.
 - (2) Customer shall deliver the as-available energy to Company at Company's meter.
 - (3) Company shall furnish and install a standard meter. Company may meter the customer's usage using two meters for measurement of energy flows in each direction at the point of delivery. If QF's aggregate nameplate capability is 1 MW or greater. QF shall install telemetry equipment as required by Company to ensure reliable operations.
 - (4) If either Company or customer requests an alternate form of metering or additional metering that is not required to accomplish net metering or is for the convenience of the party, the party requesting the change in metering shall pay for the alternate or additional metering arrangement. If customer elects to take electric service under any rate structure, including time-of-use, that requires the use of metering apparatus or a metering arrangement that is more costly than would otherwise be necessary absent the requirement for net metering, customer shall be required to pay the additional incremental cost of the required metering equipment. Within ten (10) days of receiving notification from customer of the intent to interconnect, Company will notify the customer of any metering costs. Charges for special metering costs shall be paid by customer, or

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arrangements for payment agreed to between customer and Company, prior to Company authorizing interconnected operation.

- (5) All meter standards and testing shall be in compliance with Company's rules and regulations as approved by the NMPRC and and the Company's Rate No. 4, Purchases From Qualifying Facilities. The metering configuration shall be one of Company's standard metering configurations as set out in Subsection D of 17.9.570.15 NMAC and mutually agreeable to the parties or any other metering configuration mutually agreeable to the parties. The agreed upon configuration is shown on exhibit (2). If the interconnection facilities have been modified pursuant to the interconnection agreement, customer shall permit Company, at any time, to install or modify any equipment, facility or apparatus necessary to protect the safety of its employees or to assure the accuracy of its metering equipment, the cost of which shall be borne by customer. Company shall have the right to disconnect the QF if it has been modified without Company's authorization.
- (6) Company may enter customer's premises to inspect at all reasonable hours customer's protective devices and read or test meter; and pursuant to the interconnection agreement to disconnect, without notice, the interconnection facilities if Company reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or Company's facilities, or property of others from damage or interference caused by customer's facilities, or lack of properly operating protective devices.

[Choose one of the following two options for section D depending upon the size of the QF facility]

D. ENERGY PURCHASE PRICE AND METERING OPTION FOR QFS GREATER THAN 10 KW: All electric energy delivered and service rendered hereunder shall be delivered and rendered in accordance with the applicable rate schedules and tariffs. Customer has selected the _____ metering option defined in this section. It is understood and agreed, however, that said rates are expressly subject to change by any regulatory body having jurisdiction over the subject matter of this agreement. If a new rate schedule or tariff is approved by the

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proper regulatory body, the new rate schedule or tariff shall be applicable to this agreement upon the effective date of such rate schedule or tariff.

(1) Load displacement option: Company will interconnect with the customer using a single meter which will be ratcheted and would only measure the flow of energy to the customer. Billing to customer will be at Company's approved tariff rate applicable to the service provided to the QF. There will be no additional customer charge and no payment by Company for any excess power which might be generated by the QF.

(2) Net metering option:

- (a) Company shall install the metering necessary to determine the net energy delivered from customer to Company or the net energy delivered from Company to customer for each time-of-use or single rate period, as applicable, during a billing period. The net energy delivered to either the QF or to Company is the difference between the energy produced by the QF generation and the energy that would have otherwise been supplied by Company to the QF absent the QF generation.
- (b) The net energy delivered from customer to Company shall be purchased by Company at Company's applicable single period energy rate, as described in the Company's Rate No. 4, Purchases From Qualifying Facilities, and filed with the NMPRC. Customer shall be billed for all net energy delivered from Company in accordance with the tariff that is applicable to customer absent the QF generation. An additional customer charge to cover the added costs of billing and administration may be included in the tariff. At the end of the billing period, Company shall net all charges owed to Company by customer and all payments owed by Company to customer. If a net amount is owed to customer for the billing period, and is less than \$50, the payment amount may be carried over to the following billing period. If a net amount is owed to customer

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- and is \$50 or more, Company shall make payment to customer prior to the end of the next billing period.
- (c) If provision of the net metering option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for net metering, customer shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

(3) Simultaneous buy/sell option.

- (a) Company will install the metering necessary to determine separately 1) all of the energy produced by customer's generator and 2) all of the power consumed by customer's loads. Company will purchase all energy produced at Company's applicable time-of-use or single period energy rate, as described in Subsection B of 17.9.570.11 NMAC, for such purchases, and as filed with and approved by the NMPRC. Customer shall purchase all power consumed at its normally applicable tariff rate. An additional customer charge to cover the added costs of billing and administration may be included.
- (b) If provision of the simultaneous buy/sell option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for simultaneous buy/sell metering, customer shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

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D, ENERGY PURCHASE PRICE AND METERING FOR QFS 10 KW OR

LESS. When a QF that is 10 kW or less is billed under a rate structure that does not include time-of-use energy pricing, a single energy meter shall be used to implement net metering of the OF unless an alternative arrangement is agreed to by Company and the OF. If either Company or the OF requests an alternative form of metering or additional metering that is not required to accomplish net metering or is for the convenience of the party, the party requesting the change in metering shall pay for the alternative or additional metering arrangement. If the QF elects to take electric service under any rate structure, including time-of-use, that requires the use of metering apparatus or a metering arrangement that is more costly than would otherwise be necessary absent the requirement for net metering, the QF shall be required to pay the additional incremental cost of the required metering equipment. Within ten days of receiving notification from the QF to interconnect, Company shall notify the QF of any metering costs. Charges for special metering costs shall be paid by the QF, or arrangements for payment agreed to between the QF and Company, prior to Company authorizing interconnected operation.

Company shall calculate the QF's bill for the billing period using net metering and with the following conditions: the QF shall be billed for service in accordance with the rate structure and monthly charges that the QF would be assigned if the QF had not interconnected as a QF. Net energy produced or consumed on a monthly basis shall be measured in accordance with standard metering practices.

If the electricity supplied by Company exceeds electricity generated by the QF during a billing period, the QF shall be billed for the net energy supplied by Company under the applicable rates.

If electricity generated by the QF exceeds the electricity supplied by the grid during a billing period, Company shall credit the QF on the next bill for the excess kWh generated, by crediting or paying the QF for the net energy supplied to Company at the applicable monthly energy rate set forth in this Tariff.

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Advice Notice No.

THIRTY-FOURTH REVISED RATE NO. 4 **CANCELING THIRTY-THIRD REVISED RATE NO. 4**

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PURCHASES FROM QUALIFYING FACILITIES

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INTERRUPTION OR REDUCTION OF DELIVERIES. \mathbf{E}

- (1) Company shall not be obligated to accept or pay for and may require customer to interrupt or reduce deliveries of available energy under the following circumstances:
 - it is necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices; whenever possible, Company shall give customer reasonable notice of the possibility that interruption or reduction of deliveries may be required;
 - there is evidence that customer's QF is interfering with service (b) to other customers or interfering with the operation of Company's equipment; customer may be reconnected by Company when customer makes the necessary changes to comply with the standards required by this agreement;
 - it is necessary to assure safety of Company's personnel; notwithstanding any other provision of this agreement, if at any time Company reasonably determines that the facility may endanger Company personnel or other persons or property or the continued operation of customer's facility may endanger the integrity or safety of Company's electric system, Company shall have the right to disconnect and lock out customer's facility from Company's electric system; customer's facility shall remain disconnected until such time as Company is reasonably satisfied that the conditions referenced in this section have been corrected;
 - there is a failure of customer to adhere to this agreement; (d)
 - if suspension of service is otherwise necessary and allowed under Company's rules and regulations as approved by the NMPRC.

Advice Notice No.

REGIONAL VICE PRESIDENT RATES AND **REGULATORY AFFAIRS**

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THIRTY-FOURTH REVISED RATE NO. 4 CANCELING THIRTY-THIRD REVISED RATE NO. 4

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PURCHASES FROM QUALIFYING FACILITIES

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- (2) Customer shall cooperate with load management plans and techniques as ordered or approved by the NMPRC, and the service to be furnished by Company hereunder may be modified as required to conform thereto.
- F **FORCE MAJEURE.** Force majeure shall mean any cause beyond the control of the party affected, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, tornado, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, (labor dispute,) labor or material shortage, sabotage, restraint by court order or public authority, and action or nonaction, by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence, it shall be unable to overcome. If either party, because of force majeure, is rendered wholly or partly unable to perform its obligations under this agreement, except for the obligation to make payments of money, that party shall be excused from whatever performance is affected by the force majeure to the extent so affected, provided that:
 - (1) the nonperforming party, within a reasonable time after the occurrence of the force majeure, gives the other party written notice describing the particulars of the occurrence;
 - (2) the suspension of performance is of no greater scope and of no longer duration than is required by the force majeure; and
 - (3) the nonperforming party uses its best efforts to remedy its inability to perform. This paragraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the party involved in the disputes.
- INDEMNITY. Each party shall indemnify the other from liability, loss, costs, and G expenses on account of death or injury to persons or damage or destruction of property occasioned by the negligence of the indemnifying party or its agents, officers, employees, contractors, licensees or invitees, or any combination thereof,

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PURCHASES FROM QUALIFYING FACILITIES

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except to the extent that such death, injury, damage, or destruction resulted from the negligence of the other party or its agents, officers, employees, contractors, licensees or invitees, or any combination thereof. Provided, however, that:

- (1) each party shall be solely responsible for the claims or any payments to any employee or agent for injuries occurring in connection with their employment or arising out of any Workmen's Compensation Law or Occupational Disease Disablement Law;
- (2) Company shall not be liable for any loss of earnings, revenues, indirect or consequential damages or injury which may occur to customer as a result of interruption or partial interruption (single-phasing) in delivery of service hereunder to customer or by failure to receive service from customer by reason of any cause whatsoever, including negligence; and
- (3) the provisions of this subsection on indemnification shall not be construed so as to relieve any insurer of its obligation to pay any insurance proceeds in accordance with the terms and conditions of any valid insurance policy;
- (4) the indemnifying party shall pay all costs and expenses incurred by the other party in enforcing the indemnity under this agreement including reasonable attorney fees.
- **DEDICATION.** An undertaking by one party to another party under any provision H of this agreement shall not constitute the dedication of such party's system or any portion thereof to the public or to the other party and any such undertaking shall cease upon termination of the party's obligations herein.
- I STATUS OF CUSTOMER. In performing under this agreement, customer shall operate as or have the status of an independent contractor and shall not act as or be an agent, servant, or employee of Company.
- J AMENDMENT, MODIFICATIONS OR WAIVER. Any amendments or modifications to this agreement shall be in writing and agreed to by both parties. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term or covenant contained in this

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agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

- **K ASSIGNMENT.** This agreement and all provisions hereof shall inure to and be binding upon the respective parties hereto, their personal representatives, heirs, successors, and assigns. Customer shall not assign this agreement or any part hereof without the prior written consent of Company, otherwise this agreement may be terminated pursuant to paragraph (3) of Subsection B of 17.9.570.15 NMAC.
- L NOTICES. Any payments, notices, demands or requests required or authorized by this agreement shall be deemed properly given if personally delivered or mailed postage prepaid to:

Company: Vice President, Commercial Operations Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202

With a copy to:

Purchase Power Analyst Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202

The designation of the persons to be notified, or the address thereof, may be changed by notice in writing by one party to the other. Routine notices and notices during system emergency or operational circumstances may be made in person or by telephone. Customer's notices to Company pursuant to this agreement shall refer to the customer's electric service account number set forth in this agreement.

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- MISCELLANEOUS. This agreement and any amendments thereto, including any tariffs made a part hereof, shall at all times be subject to such changes or modifications as shall be ordered from time to time by any regulatory body or court having jurisdiction to require such changes or modification. This agreement (and any tariffs incorporated herein) contains all the agreements and representations of the parties relating to the interconnection and purchases contemplated and no other agreement, warranties, understandings or representations relating thereto shall be binding unless set forth in writing as an amendment hereto.
- N GOVERNING LAW. This agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as if executed and to be performed wholly within the state of New Mexico.
- **O ATTACHMENTS.** This agreement includes the following exhibits as labeled and incorporated herein by reference:
 - (1) interconnection agreement;
 - (2) customer's sketch or one line diagram and site drawing, and generation and protection equipment specifications.
 - (3) customer's declaration regarding aggregate size of QF and whether customer will register QF with the SPP.

In witness thereof, the parties have executed this agreement on the date set forth herein above.

Date:		
CUSTOMER	By:	
Date:		
COMPANY	By:	_•

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TENTH REVISED RATE NO. 6 CANCELING NINTH REVISED RATE NO. 6

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SMALL GENERAL SERVICE

Tariff No. 3110.18

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APPLICABILITY: To commercial Customers for electric service used at secondary voltage and used for commercial purposes when all service is supplied at one Point of Delivery, and measured through one meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, not to exceed 25 kW of demand in any month. Single phase motors not to exceed 10 horsepower, individual capacity, may be served under this rate.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

Not applicable to standby, supplementary, resale or shared service, or service to oil and natural gas production Customers.

TERRITORY: All areas served by Company in New Mexico.

RATE: Service Availability Charge: \$14.40 per month.

Energy Charge: \$0.073126 per kWh for all kWh used per month during each

winter month.

\$0.084623 per kWh for all kWh used per month during each

summer month.

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

ALTERNATE EXPERIMENTAL TIME OF USE RIDER

RATE: Service Availability Charge: \$15.40 per month.

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REGULATORY AFFAIRS

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SMALL GENERAL SERVICE

Tariff No. 3110.18

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Energy Charge:

\$0.065466 per kWh for all kWh used during Off-Peak hours \$0.215008 per kWh for all kWh used during On-Peak hours

X

X

ON-PEAK HOURS: 12 p.m. through 6 p.m., Monday through Friday during the months of June through September.

OFF-PEAK HOURS: All other hours not covered in the On-Peak period.

Availability limited to a maximum of 25 customers that qualify for service under Small General Service. Customers must contract for service under this experimental tariff for a minimum of 12 consecutive calendar months.

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.

FRANCHISE FEE: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.

FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

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

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NAL VICE PRESIDENT RATES AND

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SMALL GENERAL SERVICE

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TAX ADJUSTMENT (cont.):

of rendering the service, or on any object or event incidental to the rendition of the service.

- **CHARACTER OF SERVICE:** A-C; 60 hertz; single or three phase, at one available standard secondary voltage.
- LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission.

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REGIONAL VICE PRESIDENT RATES AND

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PRIMARY GENERAL SERVICE

Tariff No. 4106.17

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APPLICABLE: To all oil and gas production and commercial and industrial electric service supplied at primary voltage of 2.4 kV or higher but less than 69 kV, and at a single Point of Delivery measured through approved electrical metering determined by Company, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

Not applicable to standby, supplementary, resale or shared service.

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

RATE: Service Availability Charge: \$54.90 per month

Energy Charge:

\$0.030071 per kWh for all kWh used during the month

Demand Charge:

\$13.32 per kW of demand used per month during each winter month \$15.93 per kW of demand used per month during each summer month

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.

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PRIMARY GENERAL SERVICE

Tariff No. 4106.17

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COINCIDENTAL METERING AND BILLING DEMAND PROVISION:

Coincidental metering and billing demand is available at Customer's request to have multiple service points served under this rate aggregated such that load point coincidental demands and kWh are combined for billing. The Service Availability Charge is applicable for each aggregated service point. Each load point shall be under contract and individually qualify under the Primary General Service rate and normally contribute not less than 200 kW to the coincidental demand each month. If a load point coincidental demand falls below 200 kW demand three or more months during any twelve-month period, Company has the option of removing that load point from coincidental billing. Customer will pay for and allow Company to install all necessary metering and communication equipment to determine the aggregate coincidental demand.

- LOSS ADJUSTMENT: The meter readings used for billing shall be increased to include all transformation losses, when secondary voltage metering is installed on Customer's side of the Point of Delivery.
- **DETERMINATION OF DEMAND:** The kW determined from Company's demand meter for the 30-minute period of Customer's greatest kW use during the month.
- ALLOCATION OF REVENUE: Revenue will be allocated to each individual meter on an energy basis for the purposes of taxation and determination.
- POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge $x ((0.95 \div customer's power))$ factor x kW demand) – kW demand)

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PRIMARY GENERAL SERVICE

Tariff No. 4106.17

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FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered, exceeds, or is less than \$0.026942 per kWh, as specified by NMPRC Rule 550.

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- **CHARACTER OF SERVICE:** A-C; 60 hertz; single or three phase at Company's available primary voltage that is higher than 2.4 kV but less than 69 kV.
- TAX ADJUSTMENT: Billings under this schedule may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes) payable by the utility and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

CONTRACT PERIOD: One year or longer.

- **LINE EXTENSIONS:** Company will make line extensions in accordance with its standard line extension policy. No transformation will be made by Company at the Point of Delivery.
- **FRANCHISE FEE:** All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction the customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission. A Contract may be required by Company to be

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RULES, REGULATIONS AND CONDITIONS OF SERVICE (cont.):

executed prior to extending service if Customer's load is expected to be greater than 200 kW. The contract term shall contain a minimum contract period with an automatic renewable provision from year to year thereafter.

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MUNICIPAL STREET LIGHTING SERVICE

Tariff No. 5027.12

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APPLICABILITY: To municipal Customers for street lighting service where facilities of adequate capacity and suitable voltage are adjacent to the point of service.

Pursuant to the Federal Energy Policy Act of 2005, mercury vapor lamp ballasts shall not be manufactured or imported after January 1, 2008. When Company's inventory of mercury vapor ballasts and lamps is exhausted, Customers will be given the option of having the lighting facilities removed, or replaced with another type of light at the rate for the replacement light.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

TERRITORY: All towns served by Company in New Mexico.

RATE: The charge per lamp per month shall be in accordance with the following rates:

Municipal Street Light Rates

7,000	MV	\$ 13.17
20,000	MV	\$ 18.97
35,000	MV	\$ 27.60
50,000	MV	\$ 33.76
15,000	HPS	\$ 12.35
27,500	HPS	\$ 15.20
50,000	HPS	\$ 19.41

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MUNICIPAL STREET LIGHTING SERVICE

Tariff No. 5027.12

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Customer-owned Street Lighting Option

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AVAILABILITY: For year round illumination of public streets and parkways by electric lamps mounted on standards where Customer owns Company approved street light systems complete with standards, luminaries with globes, lamps, and other appurtenances, together with all necessary cables extending between standards and to the point of connection to Company's facilities as designated by Company.

X

Customer is responsible for maintaining customer-owned street light systems.

X

RATE: The monthly charge to provide energy and services for customer-owned lighting facilities is \$0.072511 per kWh per month at locations acceptable to the Company. Since lighting installations are generally unmetered, the monthly kWh shall be determined by the Company prior to use of Company facilities and based upon the type of lamp installed in the customer-owned light facility.

X

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.

FUEL COST ADJUSTMENT:

MERCURY VAPOR

7,000 lumen lamp use 68 kWh per month 20,000 lumen lamp use 151 kWh per month 35,000 lumen lamp use 257 kWh per month 50,000 lumen lamp use 363 kWh per month

HIGH PRESSURE SODIUM

15,000 lumen lamp use 56 kWh per month 27,500 lumen lamp use 97 kWh per month 50,000 lumen lamp use 159 kWh per month

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MUNICIPAL STREET LIGHTING SERVICE

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METAL HALIDE

14,000 lumen lamp use 62 kWh per month 20,500 lumen lamp use 97 kWh per month 36,000 lumen lamp use 136 kWh per month 110,000 lumen lamp use 359 kWh per month

KWh for other light types and sizes as determined by Company prior to use of Company facilities by the lighting facility.

The charge per lamp of the above rate shall be increased or decreased (based on the kWh use per month) by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

If any street light is permanently removed from service at the City's request, the City will pay to Company, at the time of removal from service of such light, the original cost of the equipment taken out of service, less depreciation of four percent (4%) per year. If any street light is removed from service temporarily (at least two months) at the City's request, the monthly rate for such light during such temporary disconnection will be the base charge per lamp as stated above. Fuel cost adjustment will not be charged on any temporarily disconnected street light.

CONDITIONS OF SERVICE: Excluding any maintenance and replacement to underground wires installed by the City, the foregoing rates include the furnishing by Company of the electric power and energy necessary to operate the street lighting system, the replacement of lamps, and the normal maintenance of fixtures, SPS installed wires, transformers and all other component parts of the street lighting system, as such replacements and maintenance become necessary. In the event maintenance and/or lamp and the glassware replacements become excessive due to vandalism or similar causes, Company will notify the City and the City will exert whatever means are at its disposal in the form of law

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MUNICIPAL STREET LIGHTING SERVICE

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CONDITIONS OF SERVICE(cont.)

enforcement agencies or other protective measures to eliminate destruction ofstreet lighting equipment. If such vandalism persists, Company reserves the right to remove street lights.

Company will install, own, operate and maintain the street lighting system. If, for any reason, Company is unable to continue service of particular equipment, such equipment, at the option of the City, will be removed or replaced by Company with currently available equipment, and the City will pay the appropriate rate for new equipment.

Street light burning time will be from approximately one-half hour after sunset to approximately one-half hour before sunrise.

- **LINE EXTENSIONS:** Company will make line extensions in accordance with its standard line extension policy.
- **FRANCHISE FEE:** All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction the customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

NINTH REVISED RATE NO. 16 CANCELING EIGHTH REVISED RATE NO. 16

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LARGE MUNICIPAL AND SCHOOL SERVICE

Tariff No. 6016.17

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APPLICABILITY: To all municipal facilities and all public and private schools taking service at one Point of Delivery and measured through one meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, in excess of 25 kW of demand in any month.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

Not applicable to standby, supplementary, resale or shared service, or to service for which a specific rate schedule is provided.

Company reserves the right to remove meter and estimate energy usage for traffic signal service.

TERRITORY: All towns served by Company in New Mexico.

RATE: Service Availability Charge: \$27.10 per month

Energy Charge: \$0.033815 per kWh for all kWh used during the month

Demand Charge: \$10.37 per kW of demand used per month during each winter

month

\$12.91 per kW of demand used per month during each summer

month

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

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REGIONAL VICE PRESIDENT RATES AND

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LARGE MUNICIPAL AND SCHOOL SERVICE

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ALTERNATE EXPERIMENTAL TIME OF USE RIDER

X

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X

RATE: Service Availability Charge: \$29.10 per month.

Energy Charge:

\$0.033815 per kWh for all kWh used during Off-Peak hours \$0.159678 per kWh for all kWh used during On-Peak hours

Demand Charge: \$8.37 per kW of demand used per month

ON-PEAK HOURS: 12 p.m. through 6 p.m., Monday through Friday during the months of June through September.

OFF-PEAK HOURS: All other hours not covered in the On-Peak period.

Availability limited to a maximum of 20 customers that qualify for service under Large Municipal and School Service. Customers must contract for service under this experimental tariff for a minimum of 12 consecutive calendar months.

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.

FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

CHARACTER OF SERVICE: A-C; 60 hertz; single or three phase service at an available standard Company secondary or primary voltage.

LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.

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Advice Notice No.

REGIONAL VICE PRESIDENT RATES AND

REGULATORY AFFAIRS

NINTH REVISED RATE NO. 16 CANCELING EIGHTH REVISED RATE NO. 16

X

LARGE MUNICIPAL AND SCHOOL SERVICE

Tariff No. 6016.17

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- TAX ADJUSTMENT: Billings under this schedule may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes) payable by the utility and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.
- **DEMAND:** Company will furnish at its expense the necessary metering equipment to measure Customer's kW demand for the 30-minute period of greatest use during the month. In no month, shall the billing demand be greater than the kW value determined by dividing the kWh sales for the billing period by 80 hours.
- **POWER FACTOR ADJUSTMENT:** Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

- **FRANCHISE FEE:** All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission.

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REGIONAL VICE PRESIDENT RATES AND

REGULATORY AFFAIRS

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EIGHTH REVISED RATE NO. 26 CANCELING SEVENTH REVISED RATE NO. 26

X X

MISCELLANEOUS SERVICE CHARGES

Tariff No. 7004.8

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APPLICABILITY: The service charges listed below are applicable to all Customers served by Company and are in addition to any other charges made under Company's tariff for electric service.

TERRITORY: All areas served by Company in New Mexico.

<u>Name</u>	<u>Charge</u>
1. Returned Check Charge	\$16.00
2. After Hours Connection Charge	\$60.00
3. Reconnect Charge	
Reconnect during business hours Reconnect during non-business hours	\$40.00 \$60.00 X
4. Field Collection Charge	- \$10.00
5. Special Bill Form Charge	\$10.00
6. Facilities Rental Charge	2.00% per month applied to net reproduction cost of facilities.
7. Restoration of Tampered Service Charge	\$200.00 during business hours each occurrence, \$225.00 during non-business hours each occurrence, plus cost of damages.
8. Relocation of Facilities Charge	Cost of relocation.

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EIGHTH REVISED RATE NO. 26 CANCELING SEVENTH REVISED RATE NO. 26

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MISCELLANEOUS SERVICE CHARGES

Tariff No. 7004.8

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9. Account History Charge	\$25.00 or cost, whichever is higher

10. Temporary Service Charge At cost.

11. Meter Testing Charge See description.

12. Switchover Policy Charge See description.

13. Load Control Equipment Charge At cost, see Articles IV and V of

Electric Demand Signal Agreement.

14. Miscellaneous Charges At cost.

15. Optional Credit Card payment charge. \$4.85

16. Non-Routine Charges At cost

17. Out of Cycle Meter Reading Charge \$40.00

18. Sale of Renewable Energy Certificates At Agreed-upon price

DESCRIPTION:

- 1. **Returned Check Charge** is made when Customer's check has been dishonored by the maker's bank and returned to Company.
- **2. After Hours Connection Charge** is made when a new connection is requested by Customer to be made outside of regular working hours.
- 3. Reconnect Charge is made when Customer requests reconnection of electric service after having been disconnected because of a delinquent account.

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REGIONAL VICE PRESIDENT RATES AND

REGULATORY AFFAIRS

EIGHTH REVISED RATE NO. 26 CANCELING SEVENTH REVISED RATE NO. 26

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MISCELLANEOUS SERVICE CHARGES

Tariff No. 7004.8

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4. Field Collection Charge is made when Company makes contact at Customer's premises for collection of delinquent bill or deposits. Only one charge is made per month.

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- 5. Special Bill Form Charge is made each time Company provides a manually prepared special bill analysis.
- **6. Facilities Rental Charge** is made when Customer rents facilities owned and maintained by the Company.
- 7. **Restoration of Tampered Service Charge** is applied to any Customer who has tampered with the meter installed on Customer's premises, or by any manner or means has prevented the total energy from being registered by the meter installed for such purposes.
- **Relocation of Facilities Charge** is made when Customer requests the relocation of facilities for Customer's benefit or convenience.
- 9. Account History Charge is made each time Customer requests and Company provides a billing/usage premise history or analysis for more than the most recent 13 months. The charges for these services will equal Company's labor, material, overhead and data processing expense for processing the request or \$25.00, whichever is greater.
- 10. Temporary Service Charge is made when a Customer requests temporary services. In addition to the cost of service rendered under the applicable rate, Customer will be charged the cost of installing and removing the facilities required to provide temporary service, in excess of any salvage realized.
- 11. Meter Testing Charge may be made if the meter has been tested within the last 18 months. Company may charge Customer an amount necessary to recover the cost of the test, such charges to be refunded to Customer whenever the meter proves to be in excess of two percent error.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

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EIGHTH REVISED RATE NO. 26 CANCELING SEVENTH REVISED RATE NO. 26

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MISCELLANEOUS SERVICE CHARGES

Tariff No. 7004.8

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- **12. Switchover Policy Charge** may be made prior to disconnection according to the following:
 - a. A charge of \$140.00 to cover average direct labor and transportation costs involved in the disconnection.
 - b. A charge for any facilities rendered idle as a result of disconnection based on the original installed cost of the facilities less accumulated depreciation, salvage, and any previous contribution in aid of construction.
 - (i) A charge for the direct and indirect labor and transportation costs involved in removing any idle facilities. This charge will only apply if removal is requested by the disconnecting Customer, or required for safety reasons, or if the salvage value of the facilities exceeds such removal costs.
 - c. All charges for electric service up to the disconnection.
- 13. Load Control Equipment Charge is equal to the cost for materials, labor, transportation, miscellaneous expenses, and all applicable overheads for the installation necessary to provide the required signals. In certain cases, Customer may be charged for totalizing and/or recording equipment. Customer will also be charged for the operation and maintenance expenses in accordance with Articles IV and V of the Electric Demand Signal Agreement.
- **Miscellaneous Charges** are made for services performed at the request of Customer but not covered specifically by any rate. The charges will be the reasonable costs incurred for performing such service including but not limited to, parts, labor, and transportation.

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REGIONAL VICE PRESIDENT RATES AND

REGULATORY AFFAIRS

EIGHTH REVISED RATE NO. 26 CANCELING SEVENTH REVISED RATE NO. 26

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MISCELLANEOUS SERVICE CHARGES

Tariff No. 7004.8

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- 15. Optional Credit Card Payment Charge is made when a Customer chooses to pay their electric bill with credit or debit card. This amount is collected by a third party provider who will process Customer's payment.
- 16. Non-Routine Charge is made for maintenance and replacement of street lighting facilities, other than what is provided for in the street light tariff. These costs include labor, material, transportation, processing and special equipment. This includes, without limitation, cost for traffic control as required by federal, state and local laws and regulations.
- 17. Out of Cycle Meter Reading Charge is made when a Customer requests a meter reading outside of the regularly scheduled meter reading cycle.
- 18. Sale of Renewable Energy Certificates ("RECs"). Renewable Energy Certificates, as defined in section 62-16-3.F of the Renewable Act [62-16-1 et seq NMSA 1978], may be sold by Company to end-use Customers or members of the public at large (individuals, governmental entities, corporations, partnerships, sole proprietorships or closely held business entities, trusts, lessees, receivers, or any other type of firm or entity) at a price to be determined by Company and the buyer. Sale of RECs by SPS to the buyer does not alter the buyer's responsibilities under the conditions and rates for electric service provided through another tariff.

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Advice Notice No.

REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

SIXTH REVISED RATE NO. 27 CANCELING FIFTH REVISED RATE NO. 27

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SLCA INTEGRATED PROJECTS ENERGY RIDER FOR CANNON AIR FORCE BASE, NEW MEXICO

Tariff No. 4107.6

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Page 1 of 3

AVAILABILITY: Available by agreement in the territory in which Southwestern Public Service Company ("SPS") operates, to Cannon AFB, who is a long-term full requirements retail Customer purchasing all of its load and energy requirements from SPS, for energy delivered to SPS either through the Blackwater direct current interconnection with the Western Electricity Coordinating Council or other mutually agreed upon delivery points, from the Salt Lake City Area Integrated Projects ("SLCA Integrated Projects"), administered by the Western Area Power Administration ("Western"), which is an agency of the United States Department of Energy.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

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MONTHLY ADJUSTMENT: SPS shall reduce Cannon AFB's monthly bill for SLCA Integrated Projects energy received from SLCA Integrated Projects, adjusted for losses. The monthly adjustment shall be determined as the product of the SLCA Integrated Project energy scheduled in a given month, less an amount for losses, times the sum of the amount of fuel cost in the base rate and SPS's respective monthly retail FUEL AND PURCHASED POWER COST ADJUSTMENT factor calculated in accordance with the New Mexico Large General Service - Transmission Rate No. 34.

If Cannon AFB arranges for real time delivery of WAPA resources to the SPS system, Cannon AFB will receive the following credits to its bill:

Demand Credit:

\$6.09 per kW of power delivered per summer month \$5.55 per kW of power delivered per winter month X X

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SIXTH REVISED RATE NO. 27 CANCELING FIFTH REVISED RATE NO. 27

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SLCA INTEGRATED PROJECTS ENERGY RIDER FOR CANNON AIR FORCE BASE, NEW MEXICO

Tariff No. 4107.6

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Energy Credit:

\$0.028811 per kWh for all kWh delivered during the month

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Real time delivery means capacity and energy delivered to the SPS system in a manner that allows SPS to reduce its capacity needs. At the termination of deliveries of WAPA resources by SPS to Cannon AFB, any power, for which Cannon AFB has received a credit but which has not been delivered to Cannon AFB, will belong to SPS.

MONTHLY CHARGE: Cannon AFB shall reimburse SPS monthly for all costs associated with delivery services provided to SPS by third parties required to deliver SLCA Integrated Projects energy to SPS and for Cannon AFB's portion of administrative costs incurred by SPS to receive the energy.

<u>Third Party Delivery Charge:</u> Cannon AFB shall be charged the delivery charge made to SPS from one or more third party entities for providing delivery service to deliver SLCA Integrated Projects energy to SPS.

Administrative Charge: \$.001 per kWh of Cannon AFB's monthly scheduled SLCA Integrated Projects energy, less losses, plus Cannon AFB's proportionate share of administrative costs incurred by SPS for the energy, where Cannon AFB's proportionate share of administrative costs will be determined as:

 $CAE = (TAE*(SLCA_i/SLCA_T)) + (.001*MSLCA_i)$

where:

CAE = Cannon AFB's proportionate share of administrative

expense incurred by SPS.

TAE = the total actual out-of-pocket administrative

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SLCA INTEGRATED PROJECTS ENERGY RIDER FOR CANNON AIR FORCE BASE, NEW MEXICO

Tariff No. 4107.6

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expense incurred by SPS for the receipt of SLCA Integrated Projects energy, including applicable filing fees and outside services fees.

SLCA_i = the SLCA Integrated Projects energy scheduled to Cannon AFB through SPS during the corresponding year.

SLCA_T = the total SLCA Integrated Project energy credited to all Customers by SPS during the corresponding year.

MSLCA_i= the SLCA Integrated Projects energy scheduled to Cannon AFB through SPS during the corresponding month.

SPS LOSSES: The loss percentage for determining SPS losses in accordance with this agreement shall be 3.754 percent.

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Advice Notice No.

SEVENTH REVISED RATE NO. 28 CANCELING SIXTH REVISED RATE NO. 28

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AREA LIGHTING SERVICE

Tariff No. 5118.7

Page 1 of 3

APPLICABLE: Under contract to all night outdoor flood light and guard light service where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

Pursuant to the Federal Energy Policy Act of 2005, mercury vapor lamp ballasts shall not be manufactured or imported after January 1, 2008. When Company's inventory of mercury vapor ballasts and lamps is exhausted, Customers will be given the option of having the lighting facilities removed, or replaced with another type of light at the rate for the replacement light.

This tariff was closed to new Customers as of September 8, 2008 and no additional lights will be installed for existing Customers. Ownership of existing Guard Lights may be transferred to a new Customer if the property that the Guard Light serves is sold to the new Customer and the new Customer agrees to the monthly charge for the applicable Guard Light.

TERRITORY: Area served by Company in New Mexico.

RATE: The charge per lamp per month shall be in accordance with the following rates.

Lamp Size	Lamp	Price	
<u>Lumen</u>	<u>Type</u>	Per Light	X
7,000	MV	\$ 13.12	1
15,000	HPS	\$ 12.32	
27,500	HPS	\$ 15.15	
50,000	HPS	\$ 19.35	
140,000	HPS	\$ 33.44	
14,000	MTHL	\$ 13.68	
20,500	MTHL	\$ 16.06	X

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REGIONAL VICE PRESIDENT RATES AND **REGULATORY AFFAIRS**

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SEVENTH REVISED RATE NO. 28 CANCELING SIXTH REVISED RATE NO. 28

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AREA LIGHTING SERVICE

Tariff No. 5118.7

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36,000	MTHL	\$ 18.71	X
110,000	MTHL	\$ 35.21	X

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added after 15 days.

Mercury Vapor

DETERMINATION OF ENERGY USE:

Lamp

Wattage 175	<u>Lumen</u> 7000	<u>kWh</u> 68		
Lamp		Metal Halide		High Pressure Sodium
Wattage	<u>Lumen</u>	$\underline{\mathbf{kWh}}$	Lumen	$\underline{\mathbf{k}}\mathbf{W}\mathbf{h}$
150			15,000	56
175	14,000	62		
250	20,500	97	27,500	97
400	36,000	136	50,000	159
1,000	110,000	359	140,000	350

FUEL COST RECOVERY: The charge per lamp of the above rate shall be increased or decreased (based on the above kWh use per month) by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

X

X

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

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

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SEVENTH REVISED RATE NO. 28 **CANCELING SIXTH REVISED RATE NO. 28**

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AREA LIGHTING SERVICE

Tariff No. 5118.7

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TAX ADJUSTMENT (cont.):

privilege of rendering the service, or on any object or event incidental to the rendition of service.

CONDITIONS OF SERVICE: Lights will not be installed on any mounting device which in Company's opinion is unsafe or not suitable for this purpose. Customer is responsible for any trenching and backfilling necessary for construction and maintenance of the underground electrical system. The ditch will be trenched to the specifications provided by Company.

CHARACTER OF SERVICE: A-C; 60 hertz; single phase; 120 volts.

TERM OF CONTRACT: A period of not less than three years.

LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.

FRANCHISE FEE: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.

RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public **Regulation Commission**

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REGIONAL VICE PRESIDENT RATES AND

REGULATORY AFFAIRS

FIFTH REVISED RATE NO. 34 **CANCELING FOURTH REVISED RATE NO. 34**

X

LARGE GENERAL SERVICE - TRANSMISSION

Tariff No. 4110.5

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APPLICABILITY: Under contract to all commercial and industrial electric service, where facilities of adequate capacity and suitable voltage of 69 kV or higher are adjacent to the premises to be served.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

Not applicable to standby, supplementary, resale or shared service.

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

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.

SUB TRANSMISSION SERVICE OF 69 kV:

RATE: Service Availability Charge: \$ 689.00 per month

Energy Charge: \$ 0.029084 per kWh for all kWh used during the month

Demand Charge: \$ 9.42 per kW of demand used per month during each winter

month

\$ 10.33 per kW of demand used per month during each

summer month

BACKBONE TRANSMISSION SERVICE OF 115 kV AND ABOVE:

RATE: Service Availability Charge: \$ 689.00 per month

\$ 0.028893 per kWh for all kWh used during the month **Energy Charge:**

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FIFTH REVISED RATE NO. 34 CANCELING FOURTH REVISED RATE NO. 34

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LARGE GENERAL SERVICE - TRANSMISSION

Tariff No. 4110.5

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Demand Charge: \$ 9.37 per kW of demand used per month during each winter

month

\$ 10.28 per kW of demand used per month during each

summer month

X

X

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

COINCIDENTAL METERING AND BILLING DEMAND PROVISION:

Coincidental metering and billing of Demand is available at Customer's request to have multiple service points served under this rate aggregated such that load points, coincidental demands and kWh are combined for billing. Each load point shall be under contract and individually qualify under the Large General Service - Transmission Rate and contribute not less than 200 kW to the coincidental demand each month. If a load point coincidental demand falls below 200 kW demand three or more months during any twelve-month period, Company has the option of removing that load point from coincidental billing. Customer will pay for and allow Company to install all necessary metering and communication equipment to determine the aggregate coincidental demand.

DETERMINATION OF DEMAND: The kW determined from Company's demand meter for the 30-minute period of Customer's greatest kW demand during the month. When Customer is being billed under the coincidental metering and billing demand provision of this rate, the demand is determined from Company's demand meters for the 30-minute period of Customer's aggregate greatest coincidental kW demand during the month. No individual meter demand shall be taken as less than 60% of the highest demand established in the preceding eleven months.

ALLOCATION OF REVENUE: Revenue will be allocated to each individual meter on an energy basis for the purposes of taxation and determination of any minimum charge billings, discounts or surcharges.

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FIFTH REVISED RATE NO. 34 CANCELING FOURTH REVISED RATE NO. 34

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LARGE GENERAL SERVICE - TRANSMISSION

Tariff No. 4110.5

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POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

X

- **LOSS ADJUSTMENT:** The meter reading used for billing shall be increased to include all transformer losses when metering is installed on the secondary side of less than 69 kV of any voltage transformation made on Customer's side of the Point of Delivery.
- **FUEL COST ADJUSTMENT:** The charge per kWh of the sub transmission rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.025316 per kWh, as specified by NMPRC Rule 550.

X

The charge per kWh of the backbone transmission rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.025125 per kWh, as specified by NMPRC Rule 550.

X

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

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LARGE GENERAL SERVICE - TRANSMISSION

Tariff No. 4110.5

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CHARACTER OF SERVICE: A-C; 60 hertz; three phase service supplied to the entire premises at approximately 69 kV or above.

CONTRACT PERIOD: A period of not less than three years.

SUBSTATION LEASE: Company reserves the option to lease substation facilities.

If the substation facilities to be leased serve a Customer must lease 100% of the facilities. If the substation facilities to be leased serve multiple Customers, Company will determine the percentage of the substation capacity to be leased to the lessee, but no less than 4000 kVA of substation capacity will be leased to a single Customer.

For substations subleased before January 1, 2009, the rates shall be as specified in the initial contract.

For substations leased on or after January 1, 2009, the monthly lease payment will be in the amount of two percent (2%) of the net reproduction cost of the leased facilities calculated as of the commencement of the lease and shall be paid by Customer to Company along with the monthly invoice for electric service.

Company reserves the right to increase the monthly lease payment whenever Company spends more than \$100,000 in repairs, replacements, or upgrades to the leased substation facilities in any twelve consecutive months during the term of the lease.

The initial minimum lease term shall be 120 months and shall continue month to month thereafter until the lease agreement is terminated. The lease agreement may be terminated by Customer upon at least six months prior written notice to Company. If the Customer terminates the lease earlier than 120 months from the commencement of the lease, the following termination penalty will apply:

Customer will pay a lease termination penalty in the amount of the net present value using a rate of 8.10 percent (Company Weighted Cost of Capital) applied to the sum calculated as follows:

X

120 less the number of monthly lease payments made times the monthly lease payment, but not less than six times the monthly lease payment.

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FIFTH REVISED RATE NO. 34 CANCELING FOURTH REVISED RATE NO. 34

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LARGE GENERAL SERVICE - TRANSMISSION

Tariff No. 4110.5

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- LINE EXTENSIONS: All cost of equipment, supplies, and labor related to the installation of facilities necessary to make service available shall be paid by Customer in advance. No transformation will be made by Company at the point of service.
- FRANCHISE FEE: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission.

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Advice Notice No.

REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

FOURTH REVISED RATE NO. 39 CANCELING THIRD REVISED RATE NO. 39

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RESIDENTIAL HEATING SERVICE

Tariff No. 1017.4

Page 1 of 4

APPLICABILITY: To residential Customers for electric service with predominately electric space heating used for domestic purposes in private residences and separately metered individual apartments when all service is supplied at one Point of Delivery, and measured through one kilowatt hour (kWh) meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Single-phase motors not to exceed 10 horsepower, individual capacity, may be served under this rate. Electric space heating includes permanently installed space heating equipment in regular use, including heat pumps and electric resistance heating, excluding bathroom heaters.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

TERRITORY: All areas served by Company in New Mexico.

RATE: Service Availability Charge: \$9.50 per month.

Energy Charge:

\$0.072893 per kWh for all kWh used per month during winter months

0.100170 per kWh for all kWh used per month during summer months

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

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FOURTH REVISED RATE NO. 39 **CANCELING THIRD REVISED RATE NO. 39**

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RESIDENTIAL HEATING SERVICE

Tariff No. 1017.4

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ALTERNATE EXPERIMENTAL TIME OF USE RIDER

X

RATE: Service Availability Charge: \$10.50 per month.

Energy Charge:

\$0.080182 per kWh for all kWh used during Off-Peak hours \$0.213466 per kWh for all kWh used during On-Peak hours

ON-PEAK HOURS: 12 p.m. through 6 p.m., Monday through Friday during the months of June through September.

OFF-PEAK HOURS: All other hours not covered in the On-Peak period.

Availability limited to a maximum of 15 customers that qualify for service under Residential Heating Service. Customers must contract for service under this experimental tariff for a minimum of 12 consecutive calendar months.

TERMS OF PAYMENT: Net in 20 days after mailing date. If the Twentieth day falls on a holiday or weekend, the date will be the next workday.

CHARACTER OF SERVICE: A-C; 60 hertz; single phase 120/240 volts; or where available, three phase 240 volts.

LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.

FRANCHISE FEE: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.

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REGIONAL VICE PRESIDENT RATES AND

FOURTH REVISED RATE NO. 39 CANCELING THIRD REVISED RATE NO. 39

 \mathbf{X}

RESIDENTIAL HEATING SERVICE

Tariff No. 1017.4

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FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550

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

AVERAGE MONTHLY PAYMENT: Upon request, any residential Customer may be billed monthly based on a levelized payment plan. A Customer's levelized monthly payment amount is calculated by obtaining the most recent twelve months of actual consumption and dividing that amount by twelve, and applying Company's current rates to the average kWh consumption. Company's current rates shall include Company's most recent applicable fuel and purchased power cost adjustment charge per kWh as specified by NMPRC Rule 550 (NMAC 17.9.550). Each levelized monthly payment account is automatically reviewed every three months. If the review shows an annual payment surplus or deficiency that exceeds a corporate-wide annual variance threshold, the account will be adjusted to reflect the most current average.

The account will be settled every twelve months. The settlement amount will be equal to the difference between the total of the prior twelve months' levelized payments and the actual billings for the corresponding most recent twelve month period. A Customer may enter the levelized payment plan during any month of the year and may exit the plan at any time by providing 30 days written notice and paying any balance due the company. Any over-collection will be credited on Customer's next regular billing.

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RESIDENTIAL HEATING SERVICE

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RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission. In addition, Customer will provide Company with a signed affidavit indicating Customer is eligible for service under this tariff.

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REGIONAL VICE PRESIDENT RATES AND

FOURTH REVISED RATE NO. 40 CANCELING THIRD REVISED RATE NO. 40

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SECONDARY GENERAL SERVICE

Tariff No. 4060.4

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APPLICABILITY: To all commercial and industrial electric service supplied at secondary voltage and at one Point of Delivery, and measured through one meter with a demand greater than 25 kW and served where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

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Not applicable to resale or shared service, or service to oil and natural gas production Customers.

TERRITORY: All areas served by Company in New Mexico.

RATE: Service Availability Charge: \$27.10 per month

X

Energy Charge: \$0.031507 per kWh for all kWh used during the month

Demand Charge:

\$ 13.99 per kW of demand used per month during each winter month \$ 17.46 per kW of demand used per month during each summer month

X

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

DEMAND: Company will furnish at its expense the necessary metering equipment to measure Customer's kW demand for the 30-minute period of greatest use during the month. In no month, shall the billing demand be greater than the kW value determined by dividing the kWh sales for the billing period by 80 hours.

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REGIONAL VICE PRESIDENT RATES AND

FOURTH REVISED RATE NO. 40 **CANCELING THIRD REVISED RATE NO. 40**

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SECONDARY GENERAL SERVICE

Tariff No. 4060.4

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POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

 \mathbf{X}

FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

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- CHARACTER OF SERVICE: A-C; 60 hertz; single or three phase, at one available standard secondary voltage.
- LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.
- TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.
- FRANCHISE FEE: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules, Regulations and Conditions of Service on file with the New

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

FOURTH REVISED RATE NO. 40 CANCELING THIRD REVISED RATE NO. 40

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SECONDARY GENERAL SERVICE

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RULES, REGULATIONS AND CONDITIONS OF SERVICE (cont.):

Mexico Public Regulation Commission. A contract may be required by Company to be executed prior to extending service if Customer's load is expected to be greater than 200 kW. The contract term shall contain a minimum contract period with an automatic renewable provision from year to year thereafter.

COINCIDENTAL METERING AND BILLING DEMAND PROVISION:

Coincidental metering and billing demand is available at Customer's request to have multiple service points served under this rate aggregated such that load point coincidental demands and kWh are combined for billing. The Service Availability Charge is applicable for each aggregated service point. Each load point shall be under contract and individually qualify under the Secondary General Service rate and normally contribute not less than 200 kW to the coincidental demand each month. If a load point coincidental demand falls below 200 kW demand three or more months during any twelve-month period, Company has the option of removing that load point from coincidental billing. Customer will pay for and allow Company to install all necessary metering and communication equipment to determine the aggregate coincidental demand.

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REGIONAL VICE PRESIDENT RATES AND

FOURTH REVISED RATE NO. 42 CANCELING THIRD REVISED RATE NO. 42

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SMALL MUNICIPAL AND SCHOOL SERVICE

Tariff No. 6018.4

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APPLICABILITY: To municipal facilities and public and private schools for electric service used at secondary voltage and used for municipal and school purposes when all service is supplied at one point of delivery, and measured through one meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, not to exceed 25 kW of demand in any month. Single phase motors not to exceed 10 horsepower, individual capacity, may be served under this rate.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

TERRITORY: All towns served by Company in New Mexico.

RATE: Service Availability Charge: \$14.50 per month.

Energy Charge:

\$0.063927 per kWh for all kWh used per month during each winter month \$0.072573 per kWh for all kWh used per month during each summer month.

WINTER MONTHS: The billing months of October through May.

SUMMER MONTHS: The billing months of June through September.

ALTERNATE EXPERIMENTAL TIME OF USE RIDER

RATE: Service Availability Charge: \$15.50 per month.

Energy Charge:

\$0.058853 per kWh for all kWh used during Off-Peak hours \$0.199761 per kWh for all kWh used during On-Peak hours

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REGIONAL VICE PRESIDENT RATES AND

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SMALL MUNICIPAL AND SCHOOL SERVICE

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ON-PEAK HOURS: 12 p.m. through 6 p.m., Monday through Friday during the months of June through September.

OFF-PEAK HOURS: All other hours not covered in the On-Peak period.

Availability limited to a maximum of 20 customers that qualify for service under Small Municipal and School Service. Customers must contract for service under this experimental tariff for a minimum of 12 consecutive calendar months.

- **CHARACTER OF SERVICE:** A-C; 60 hertz; single or three phase, at one available standard voltage.
- **LINE EXTENSIONS:** Company will make line extensions in accordance with its standard line extension policy.
- **TERMS OF PAYMENT:** Net in 15 days after mailing date; 2% added to bill after 15 days.
- **FRANCHISE FEE:** All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction the Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission.

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FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that the Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered exceeds or is less than \$0.027461 per kWh, as specified by NMPRC Rule 550.

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Tariff No. 4040.3

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APPLICABILITY: Applicable as an optional, interruptible service option for Customers who receive electric service under the Company's Primary General Service, Secondary General Service or Large General Service Transmission rate schedules. Not applicable for Customers who receive electric service under the Company's standby service rate schedules.

AVAILABILITY: Optional service under this rate schedule is available to a Customer under the following conditions:

- (1) Customer's Contract Interruptible Load (CIL) to be used in calculating the Monthly Credit is 300 kilowatts (kW) or greater; and
- (2) Customer achieved an Interruptible Demand of at least 300 kW during each of the most recent four summer peak season months of June, July, August, and September; or, Company estimates that Customer will achieve an Interruptible Demand of at least 300 kW during each of the four summer peak season months of June, July, August, and September in the coming season; and
- (3) Customer and Company have executed an Interruptible Credit Option Agreement (Agreement) that specifies the Contract Firm Demand as well as Customer specific data necessary for the Company to calculate Customer's Monthly Credit. Customer may enter into an Agreement at any time during the calendar year; however, if Customer enters into the Agreement after March 1, service under this rate schedule will not begin until the following calendar year. If Customer enters into the Agreement between January 1 and March 1, service under this rate schedule will begin at that time and Customer will have its Number of Interruptible Hours reduced to a level that is reasonably representative of the remaining Number of Interruptible Hours, determined at the discretion of the Company.

This rate schedule is only available to new Customers when the total CIL for all existing Customers is less than 85 MW, and the new Customer's CIL when added to the total CIL of all existing Customers, does not exceed 85 MW. Company reserves the right to file an application requesting a change in or termination of this rate schedule. This rate schedule and the Agreement shall be deemed to be modified to conform to any changes or revisions, including termination, approved by the New Mexico Public Regulation Commission, as of the date of the effectiveness of such change or termination.

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DEFINITIONS:

<u>Contract Firm Demand</u> - That portion of Customer's total load that is not subject to interruptions by Company, as specified in the Agreement. The Contract Firm Demand of an existing Customer taking service under this rate schedule may not be changed unless approved by Company.

Contract Interruptible Load (CIL) – The median of Customer's maximum daily thirty (30) minute integrated kW demands occurring between the hours of 12:00 noon and 8:00 p.m. Monday through Friday, excluding federal holidays, during the period June 1 through September 30 of the prior year, less the Contract Firm Demand, if any.

If Customer has no history in the prior year or Customer anticipates that its CIL for the upcoming year will exceed the prior year's CIL by one hundred (100) kW or more, at Customer's request, Company may, in its sole discretion, estimate the CIL. In extraordinary circumstances, Company may calculate CIL using load data from the year one year prior to the year normally used to calculate the CIL, if Customer has shown, due to extraordinary circumstances, the load data that would normally be used to calculate its CIL is less representative of what Customer's load is likely to be in the upcoming year than its load data from the year one year prior to the period normally used.

For existing Customers, Company shall calculate Customer's CIL to be used in the upcoming year by December 31st of the then current year. If the Company determines that Customer's CIL to be used in the upcoming year is less than 300 kW, then the Agreement shall terminate at the end of the current year. If Company determines that the combined CIL of all existing Customers to be used in the upcoming year exceeds 85 MW, then those existing whose CIL is greater than the prior year's CIL may be required to reduce their CIL (by increasing their Contract Firm Demand) proportionally in order that total CIL does not exceed 85 MW.

<u>Interruptible Demand</u> — The maximum thirty (30) minute integrated kW demand, determined by meter measurement that is used during the month, less the Contract Firm Demand, if any, but not less than zero. Interruptible Demand is measured between the hours of 12:00 noon to 8:00 p.m. Monday through Friday, excluding federal holidays.

<u>One Hour Notice Option</u> – Company may interrupt Customer's load upon providing notice a minimum of one hour prior to the start of the interruption.

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DEFINITIONS (Cont.):

 $\underline{\textbf{No Notice Option}}$ - Company may interrupt Customer's load without providing prior notice of the interruption.

MONTHLY CREDIT:

Customer's Monthly Credit shall be calculated by multiplying the Monthly Credit Rate (MCR) by the lesser of Customer's CIL or the actual Interruptible Demand during the billing month. The MCR shall be revised effective January 1 each year, and shall remain in effect for the calendar year, except that it shall be revised at any time that there is an update to the Avoided Energy Cost (Av), or new System Loss Factors (Slf) are approved by the Commission. The MCR shall vary by season. The MCR shall be calculated separately for each Customer using the following equation:

<u>Summer (June 1 – September 30) Monthly Credit, per kW – month:</u>

 $MCR = [\$7.75 \times Ca \times Nf) + (Av \times Ha)] \times Slf \times 130\%$

Winter (October 1 – May 30) Monthly Credit, per kW – month:

 $MCR = [\$7.75 \times Ca \times Nf) + (Av \times Ha)] \times Slf \times 85\%$

MCR Equation Definitions:

Avoided Energy Cost (Av) - The Avoided Energy Cost is \$0.0006.

<u>Availability (Ca)</u> - A percentage based on the Number of Interruptible Hours (Ha) set forth in the Agreement. The Ca applicable to each Ha option is as follows:

<u>Ha</u>	<u>Ca</u>
40 hours	40%
80 hours	66%
160 hours	100%

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MONTHLY CREDIT (cont.):

<u>Notice Factor (Nf)</u> - A percentage based on the amount of advance notice to be provided by Company prior to interruption, as set forth in the Agreement. The options are No Notice or One Hour Notice. The Nf is as follows:

One Hour House Oblion 100.007	One Ho	ur Notice	Option	100.00%
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No Notice Option 107.6%

Number of Interruptible Hours (Ha) - The number of hours in the year that each Customer elects as interruptible as set forth in the Agreement. The options for Ha are 40 hours, 80 hours, and 160 hours.

System Loss Factors (SII) - The System Loss Factors are updated from time to time and the updated SIf shall be applied in the determination of the credit. As of June 2015, the SIf are as follows:

Voltage Level	Loss Factor
Backbone-Transmission	1.026174
Sub-Transmission	1.035392
Primary Distribution	1.127359
Secondary Distribution at Transformer	1.158647

The Monthly Credit shall be applied to Customer's monthly bill beginning in January if the Agreement was executed prior to that January. If the Agreement is executed between January 1 and March 1, to be effective in that year, the Monthly Credit will begin in the month following the month in which service begins. In the event that Customer's CIL is estimated, the Monthly Credit applicable to the estimated CIL will be applied to Customer's December bill, after the CIL calculation is completed for that year. For Customers with no history, the entire accumulated Monthly Credit will be credited to the December bill. For Customers with history, but estimating an increase, accumulated credits attributable to the estimated increase in the CIL will be credited to the November bill and credits attributable to the actual CIL will be credited monthly.

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SERVICE PERIOD: The Agreement shall be for a minimum three-year term, and shall automatically renew for rolling three-year periods, unless terminated as provided herein. Customer may terminate the Agreement upon providing three years' written notice to Company.

Any time during the first year of service under this schedule, Customer may opt to cancel the Agreement by returning all Monthly Credits paid by Company up until the date of cancellation. No additional payment will be assessed. Economic buy-through payments made by Customer and Economic buy-through penalty charges shall not be refunded by Company. Capacity Interruption penalties shall be refunded.

EARLY TERMINATION PENALTY:

Any Customer who terminates the Agreement without complying with the Service Period requirements under this schedule shall be required to pay the Company, as a penalty, an amount equal to the product of one hundred and ten percent (110%) times Customer's CIL times Customer's MCR for each of the remaining months of the unexpired contract term.

In addition, Customer shall reimburse Company for the direct cost incurred by Company for equipment (including its installation cost, less salvage value) to measure Customer's Interruptible Demand and to interrupt Customer.

OBLIGATION TO INTERRUPT:

The duration and frequency of interruptions will be determined by Company pursuant to the conditions described herein. When Company asks Customer to interrupt its available interruptible load, Customer must reduce its load to the level of Customer's Contract Firm Demand.

ECONOMIC INTERRUPTION: Company reserves the right to call an Economic Interruption for one or more Customers once per day when Company determines, in its sole discretion, that calling an interruption will lower its overall system costs compared to what the overall system cost would be in the absence of the interruption. The duration of any Economic Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum, and in such case, the duration shall not be less than one hour. Company will provide at least one-hour notice of an Economic Interruption.

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BUY THROUGH – ECONOMIC INTERRUPTION: Once Company has called an Economic Interruption, Company will provide Customer, by electronic mail delivered to the address as specified in the Agreement, with the estimated buy-through price for each hour of the interruption period. The estimated buy-through price for each hour shall also be made available on the ICO web site, log-on information for which will be provided in the Agreement. After being provided notice, Customer will have until 45 minutes before the announced start of the interruption to elect to buy-through all or a portion of its available interruptible load, or to arrange for the supply of an equivalent amount of energy to the SPS system during the specified time, provided that the energy must be delivered into the SPS system. Customer shall notify Company of its election using the ICO web site, and shall indicate its election for each hour of the Economic Interruption period.

The buy-through price shall be calculated by taking the weighted average cost, as determined by Company's Cost Calculator or its successor, plus three mils per kWh, for the block of electricity used to serve Customer(s) who elected to buy-through. For purposes of this calculation, Company shall assume that the block of electricity used is the highest cost block of electricity consumed in each buy-through hour.

If Customer elects to buy-through the Economic Interruption, it must continue to buy-through all hours of the interruption period unless Company provides notice to Customer of an updated buy-through price for any hour of the interruption that exceeds the original estimated buy-through price for the hour in question, whereupon Customer that elected initially to buy-through the Economic Interruption will have 15 minutes after being provided notice of the updated estimated price to advise Company that such Customer desires to be interrupted at the start of the next hour. Once Customer chooses to interrupt, Customer will be interrupted for the remainder of the interruption period as determined by Company.

If Company chooses to extend an Economic Interruption from the original notification, all ICO Customers affected by the Economic Interruption will be provided notice of the opportunity to buy-through or interrupt for the duration of the Economic Interruption extension period. Economic Interruption extensions may be less than four hours in duration.

Customer may provide advance election to buy-though up to a specified price. Such election shall be made no later than the last business day prior to the first day of the month to which the election will apply and shall be delivered to Customer's service

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BUY THROUGH - ECONOMIC INTERRUPTION (cont.):

representative by electronic mail as provided in Customer's Agreement. Any Customer with a standing buy-though order shall have the option within the 45-minute notice period to advise Company that it desires to be interrupted. Further, in the event that the buy-though price exceeds Customer-specified price, Customer may nevertheless elect to buy though the interruption by providing Company with the required notice within 45 minutes.

FAILURE TO INTERRUPT - ECONOMIC INTERRUPTION: In the event that Customer fails to interrupt during an Economic Interruption, Customer will be deemed by Company to have failed to interrupt for all demand that Customer was obligated to interrupt but did not interrupt. The failure-to-interrupt charge shall be equal to the highest incremental price for power during the Economic Interruption plus three mils per kWh, as determined by Company after the fact, including market costs, unit start-up cost, spinning reserve costs and reserve penalty cost, if any. The charge will only apply to the portion of the load Customer fails to interrupt.

CAPACITY INTERRUPTION: Company reserves the right to call a Capacity Interruption for one or more Customers at any time when Company believes, in its sole discretion, that generation or transmission capacity is not sufficiently available to serve its firm load obligations other than obligations to make intra-day energy sales. Capacity Interruptions will typically be called when Company forecasts, or on shorter notice, has presently scheduled all available energy resources that are not held back for other contingency or reserve purposes, to be online generating to serve obligation loads. The Capacity Interruption may be activated to enable Company to maintain Operating Reserves, consisting of spinning and non-spinning reserve, ensuring adequate capability above firm system demand to provide for such things as regulation, load forecasting error, equipment forced outages and local area protection. A Capacity Interruption may be called to relieve transmission facility overloads, relieve transmission under voltage conditions, prevent system instability, relieve a system under frequency condition, shed load if Company is directed to shed load by the Southwest Power Pool (or subsequent regional reliability organization) Reliability Coordinator, and respond to other transmission system emergencies.

The duration of any Capacity Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration, and in such case, the duration shall not be less than one hour. In addition, a single interruption of less than

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CAPACITY INTERRUPTION (cont.): four hours is permitted for any Customer, if Customer has less than four hours remaining of its Number of Interruptible Hours.

CONTINGENCY INTERRUPTION: Company reserves the right to call a Contingency Interruption for one or more Customers receiving service under the No Notice Option at any time when Company believes, in its sole discretion, that interruption is necessary for Company to be able to meet its Disturbance Control Standard (DCS) criteria. Contingency Interruptions will typically be called by the Company just following the unexpected failure or outage of a system component, such as a generator, transmission line or other element. Interruptible loads that are qualified as Contingency Reserve may be deployed by the Company to meet current or future North American Electric Reliability Corporation (NERC) and other Regional Reliability Organization contingency or reliability standards. Transmission emergencies such as those described in the Capacity Interruption definition can also trigger a Contingency Interruption.

The duration of any Contingency Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration, and in such case, the duration shall not be less than one hour. In addition, a single interruption of less than four hours is permitted if Customer has less than four hours of interruption available to use the remaining hours.

FAILURE TO INTERRUPT - CAPACITY AND CONTINGENCY INTERRUPTIONS:

In the event Customer is directed to interrupt and fails to comply during a Capacity or Contingency Interruption, Customer shall pay Company fifty percent (50%) of Customer's expected annual credit for all demand that Customer was obligated to interrupt but did not interrupt. The penalty will apply only to the portion of the load that Customer fails to interrupt. After Customer fails to interrupt twice, the Company shall have the option to cancel the Agreement. If the Agreement is cancelled, Customer shall not be eligible for service under this rate schedule for a minimum of one year, and Customer will not be liable for the Early Termination Penalty.

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FAILURE TO INTERRUPT – CAPACITY AND CONTINGENCY INTERRUPTIONS (cont.):

For determining compliance during a Capacity or Contingency Interruption, the first and last fifteen-minute interval of each event shall not be considered. If Customer's violation is less than 60 minutes in duration, not including the first and last control period intervals, then Customer's penalty shall be reduced by 75% if the violation is 15 minutes or shorter; shall be reduced by 50% if the violation is 16 to 30 minutes in duration; and shall be

reduced by 25% if the violation is 31 to 59 minutes in duration. This provision does not apply to Economic Interruptions.

If Customer elects the No Notice Option and Company controls Customer's load through the operation of a Company installed, operated, and owned disconnect switch, in the event that Customer violates a Capacity or Contingency Interruption, Customer shall not be penalized unless evidence of tampering or bypassing the direct load control of Company is in evidence.

PHONE LINE OR ALTERNATIVE COMMUNICATION REQUIREMENTS: Customer is responsible for the cost of installing and maintaining a properly working communication path(s) between Customer and Company. The communication path(s) must be dedicated, and can include, but is not limited to, a dedicated analog phone line to the meter location. For Customers who select the No Notice Option, Customer will be required to have two communication paths, one to the meter location and one to the Remote Terminal Unit that will receive Company's disconnect signals. A communication path(s) must be installed and working before Customer may begin taking service under this rate schedule.

In the event that Company issues a Capacity or Contingency interruption during a time in which Customer's phone line, or other communication path, is not working, the penalties detailed in the prior section for "Failure to Interrupt – Capacity and - Contingency Interruptions," shall apply if Customer fails to comply with the interruption.

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PHYSICAL CONTROL A No Notice Option, Customer must install and maintain two communication path(s) specified by Company, one to the meter location and one to the Remote terminal Unit that will receive Company's disconnect signals. Customer must retain and maintain the physical control capabilities that it had in effect as of December 31, 2011, or alternatives as approved by Company. Customer shall submit to equipment testing at least once per year at Company's discretion and provided no other Capacity or Contingency events occurred in the past 12 months that could be used to verify the correct operation of the disconnect equipment and RTU. Equipment testing may last less than the four-hour duration and may not count toward Customer's Number of Interruptible Hours.

TAMPERING: If Company determines that its load management or load control equipment on Customer's premises has been rendered ineffective due to tampering by use of mechanical, electrical, or other devices or actions, then Company may terminate Customer's Agreement, or remove Customer from the No Notice Option and place Customer on the One Hour Notice Option rate for a minimum one-year period. Customer's credits will be adjusted accordingly. In addition, Customer may be billed for all expenses involved with the removal, replacement or repair of the load management equipment or load control equipment and any charges resulting from the investigation of the device tampering. In addition, Customer shall pay 50 percent of the annual MCR times the amount of load that Customer failed to remove as a penalty. A Customer that is removed from the program is only eligible to participate again at the discretion of Company. Company will verify installation has been corrected before Customer is permitted to participate in the program again.

LIMITATION OF LIABILITY: Customers who elect to take service under this rate schedule shall agree to indemnify and save harmless Company from all claims or losses of any sort due to death or injury to person or property resulting from interruption of electric service under this rate schedule or from the operation of the interruption signal and switching equipment.

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REGIONAL VICE PRESIDENT RATES AND

REGULATORY AFFAIRS

SEVENTH REVISED RATE NO. 52 CANCELING SIXTH REVISED RATE NO. 52

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SMALL SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5004.7

Page 1 of 4

APPLICABILITY: Applicable to residential, commercial and industrial customers whose electric service is connected to an on-site Distributed Generation Solar System (Solar System) operated in parallel with the Company's electric system. The Solar System shall be limited to a minimum of 500 watts Direct Current (DC) up to a maximum capacity of 10 Kilowatts (kW) DC service entrance capacity. This service is not applicable to resale service. The customer must submit an application to the Company for this service.

TERRITORY: All electric customers in SPS's New Mexico territory.

DEFINITIONS:

<u>Application</u>: the Solar*Rewards online electronic program application accessed via www.xcelenergysolarrewards.com

Engineering and Interconnection Review: A review by the Xcel Energy metering and area engineer assigned to the Solar System project of the: (1) completed application; and (2) submitted line diagram.

Solar System: A distributed generation solar system that is customer-sited and that is limited to a minimum of 500 watts DC up to a maximum electric service entrance capacity of 10 kW DC. The Solar System rated capacity cannot exceed the customer's service entrance capacity nor the Company's distribution capacity that serves the customer. The Solar System capacity rating shall be based on the DC nameplate output of the Solar System and the Solar System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on the customer's site, which includes all contiguous property owned or leased by the customer. All Solar Systems shall be located entirely within the customer's contiguous property. The Solar System will comply with all interconnection standards and safety provisions set forth in the Company's rules and regulations, the New Mexico Public Regulation Commission, and an Interconnection Agreement between the Company and the Customer must be

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SMALL SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5004.7

Page 2 of 4

DEFINITIONS (cont):

signed. The Solar System shall be owned, operated and maintained by the customer, as set forth specifically in this tariff.

- Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatthour (kWh) of electric energy (AC) generated from an eligible Solar System.
- <u>SDG-REC Purchase Contract:</u> A contract entered into by the Company and the Customer, for a term of 12 years, that describes the terms and conditions under which the customer agrees to sell and the Company agrees to purchase SDG-RECs.
- **MONTHLY RATE:** All electric power and energy delivered by the Company to the customer hereunder shall be received and paid for by the customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. The Company shall meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4 in section entitled *QF's 10kW Or Less*, as in effect from time to time with the Commission.
- TERMS AND CONDITIONS: This service shall be available to Customers who installed their Solar System on or after February 9, 2009 and who execute the Company's SDG-REC Purchase Contract. Based on the table below, Customers will receive an incentive payment per kWh Alternating Current (AC), which includes payment for the SDG-REC for solar energy produced and metered from a Solar System, provided that:
 - (1) the Customer's Solar System is fully operational within 9 months of the interconnection study for the Solar System project;

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SMALL SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5004.7

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TERMS AND CONDITIONS (cont.)

- (2) Customer has submitted a one-line diagram to Southwestern Public Service Company (SPS) within one-month of the Application submission;
- (3) Customer has maintained routine contact with both the SPS area engineer responsible for the Solar System project review and the Solar*Rewards program coordinator throughout the engineering and interconnection review, and during Solar System project construction. A minimum frequency of contact will be biweekly communications by email or phone to update the Solar System project completion status; and
- (4) the Engineering and Interconnection Review must be completed within six- to nine-months following receipt of Application, absent any extraordinary circumstance(s) that would require an extension of time and that is immediately brought to SPS's attention.

The level of incentive payment will be based on the combined nameplate rating of applications received by the Company after December 31, 2010, for small systems. Customers will receive an incentive payment of 13 cents per kWh for 12 years, until applications received after December 31, 2010 reach a combined nameplate rating of 100 kW for the small program, after which, Customers will receive an incentive payment of 10 cents per kWh for 12 years. The incentive payment will be 8 cents per kWh for a term of 12 years, after the second 100 kW increment is reached based on nameplate capacity of applications received. Applications approved will receive incentive payments based upon the applicable rate at the time of approval for the contract term.

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SMALL SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5004.7

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	Tier 1 100 kW		Tier 2 Next 100 kW		Tier 3 Next 100 kW	
	Incentive Payment (\$/kWh)	Term (yrs)	Incentive Payment (\$/kWh)	Term (yrs)	Incentive Payment (\$/kWh)	Term (yrs)
Small Solar DG Program	\$.13/kWh	12	\$.10/kWh	12	\$.08/kWh	12

The Company will pay the Customer the incentive payment each month after the Company reads and records the monthly production of the Solar System. Customers shall own, operate and maintain their Solar System, unless otherwise agreed upon. The Company will bill the customer as described above. The Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than the customer's monthly usage as measured by the Company's meters, the negative consumption as measured by the Company's sales meter shall be considered excess energy. The Company will credit the Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused Credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to the Customer prior to the end of the next billing period.

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MEDIUM SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5005.7

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APPLICABILITY: Applicable to residential, commercial and industrial customers whose electric service is connected to an on-site Distributed Generation Solar System (Solar System) operated in parallel with the Company's electric system. The Solar System shall be limited to a system greater than 10 Kilowatts (kW) watts Direct Current (DC) up to a maximum capacity of 100 kW DC service entrance capacity. This service is not applicable to resale service. The customer must submit an application to the Company for this service.

TERRITORY: All electric customers in SPS's New Mexico territory.

DEFINITIONS:

<u>Application:</u> the Solar*Rewards online electronic program application accessed via www.xcelenergysolarrewards.com

<u>Engineering and Interconnection Review</u>: A review by the Xcel Energy metering and area engineer assigned to the Solar System project of the: (1) completed application; and (2) submitted line diagram.

Solar System: A Solar System is a distributed generation solar system that is customer-sited and that is limited to a system greater than 10 kW DC up to a maximum electric service entrance capacity of 100 kW DC. The Solar System rated capacity cannot exceed the customer's service entrance capacity nor the Company's distribution capacity that serves the customer. The Solar System capacity rating shall be based on the DC nameplate output of the Solar System and the Solar System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on the customer's site, which includes all contiguous property owned or leased by the customer. All Solar Systems shall be located entirely within the customer's contiguous property. The Solar System will comply with all interconnection standards and safety provisions set forth in the Company's rules and regulations, the New Mexico Public Regulation Commission, and an Interconnection Agreement between the Company and the Customer must be signed. The Solar System shall be owned, operated and maintained by the customer, as set forth specifically in this tariff.

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MEDIUM SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5005.7

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DEFINITIONS (cont.)

- Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatt-hour (kWh) of electric energy (AC) generated from an eligible Solar System.
- <u>SDG-REC Purchase Contract:</u> A contract entered into by the Company and the Customer, for a term of 10 years, that describes the terms and conditions under which the customer agrees to sell and the Company agrees to purchase SDG-RECs.
- MONTHLY RATE: All electric power and energy delivered by the Company to the customer hereunder shall be received and paid for by the customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. The Company shall meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4 in section *QF's 10kW Or Less*, as in effect from time to time with the Commission.
- TERMS AND CONDITIONS: This service shall be available to customers who installed their Solar System on or after February 9, 2009 and who execute the Company's SDG-REC Purchase Contract. Based on the table below, Customers will receive an incentive payment per kWh Alternating Current (AC), which includes payment for the SDG-REC for solar energy produced and metered from a Solar System, provided that:
 - (1) the Customer's Solar System is fully operational within 9 months of the interconnection study for the Solar System project;
 - (2) Customer has submitted a one-line diagram to Southwestern Public Service Company (SPS) within one-month of the Application submission;
 - (3) Customer has maintained routine contact with both the SPS area engineer responsible for the Solar System project review and the Solar*Rewards program coordinator throughout the engineering and interconnection review, and during Solar System project

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MEDIUM SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5005.7

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TERMS AND CONDITIONS (cont.):

construction. A minimum frequency of contact will be biweekly communications by email or phone to update the Solar System project completion status; and

(4) the Engineering and Interconnection Review must be completed within six- to ninemonths following receipt of Application, absent any extraordinary circumstance(s) that would require an extension of time and that is immediately brought to SPS's attention.

The level of incentive payment will be based on the combined nameplate rating of applications received by the Company after December 31, 2012, for medium systems, as follows. Customers will receive an incentive payment of 5 cents per kWh for 10 years, until applications reach a combined nameplate rating of 500 kW, after which, Customers will receive an incentive payment of 4 cents per kWh for 10 years until applications reach a combined nameplate rating of 500 kW based on nameplate capacity of applications received. Applications approved will receive incentive payments based upon the applicable rate at the time of approval for the contract term.

	Tier 4 500 kW		Tier 5		
			Next 500 kW		
	Incentive Payment (\$/kWh)	Term (yrs)	Incentive Payment (\$/kWh)	Term (yrs)	
Medium Solar DG Program	\$.05/kWh	10	\$.04/kWh	10	

If applications are received but ultimately withdrawn or cancelled, the resulting unsubscribed capacity will be added back to the highest available tier that is not fully subscribed. The amount of capacity added back to the unsubscribed tier will be based upon the Renewable Energy Credit Expense saved as a result of the withdrawal or cancellation.

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MEDIUM SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5005.7

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TERMS AND CONDITIONS (cont.):

The Company will pay the Customer for the incentive payment each month after the Company reads and records the monthly production of the Solar System. Customers shall own, operate and maintain their Solar System, unless otherwise agreed upon. The Company will bill the customer as described above. The Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than the customer's monthly usage as measured by the Company's meters, the negative consumption as measured by the Company's sales meter shall be considered excess energy. The Company will credit the Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to the Customer prior to the end of the next billing period.

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SIXTH REVISED RATE NO. 54 **CANCELING FIFTH REVISED RATE NO. 54**

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LARGE SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5006.6

Page 1 of 2

APPLICABILITY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Distributed Generation Solar System (Solar System) operated in parallel with Company's electric system. The Solar System shall be limited to a system greater than 100 Kilowatts (kW) Direct Current (DC) up to a maximum capacity of 2 Megawatts (MW) DC service entrance capacity. Not applicable to resale service. Customer must be a successful bidder in Company's Request For Proposal (RFP) for solar systems, to qualify for this service.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

Solar System: A Solar System is a solar distributed generation system that is Customer-sited and that is greater than 100 kW DC up to a maximum electric service entrance capacity of 2 MW DC. The Solar System rated capacity cannot exceed Customer's service entrance capacity nor Company's distribution capacity that serves Customer. The Solar System capacity rating shall be based on the DC nameplate output of the Solar System and the Solar System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on Customer's site, which includes all contiguous property owned or leased by Customer. All Solar Systems shall be located entirely within Customer's contiguous property. The Solar System will comply with all interconnection standards and safety provisions set forth in Company's rules and regulations, the New Mexico Public Regulation Commission, and an Interconnection Agreement between Company and Customer must be signed. The Solar System shall be owned, operated and maintained by Customer as set forth specifically in this tariff, unless otherwise agreed upon.

Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatt-hour (kWh) of electric energy (AC) generated from an eligible Solar System.

SDG-REC Purchase Contract: A contract entered into by Company and Customer that describes the terms and conditions under which Customer agrees to sell and SPS agrees to purchase SDG-RECs. The rate paid to Customer shall be no greater than the rate paid for SDG-RECs under the Medium Distributed Generation Program Tariff Rate No. 53 in effect at the time of execution of the contract.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

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SIXTH REVISED RATE NO. 54 CANCELING FIFTH REVISED RATE NO. 54

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LARGE SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5006.6

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MONTHLY RATE: All electric power and energy delivered by Company to Customer hereunder shall be received and paid for by Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall net meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4 in section *QF* 's 10kW Or, as in effect from time to time with the Commission.

TERMS AND CONDITIONS: This service is available to Customers who installed their Solar System on or after February 9, 2009, are successful bidders in Company's RFP for solar systems and who execute Company's SDG-REC Purchase Contract. Customers will receive an incentive payment which includes payment of the SDG-REC payment, per kWh AC, for solar energy produced and metered from a Solar System equal to their accepted bid in the RFP, and measured by the Company's meter installed on the Solar System. Company will pay Customer for the SDG-RECs each month after Company reads and records the monthly production of the Solar System. Customers must own, operate and maintain their Solar System, unless otherwise agreed upon. Company will bill Customer on a net-metered basis. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than Customer's monthly usage as measured by Company's meters, the negative consumption as measured by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to Customer prior to the end of the next billing period.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

THIRD REVISED RATE NO. 57 **CANCELING SECOND RATE NO. 57**

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SMALL SDG-REC PURCHASES PROGRAM

Tariff No. 5009.3

Page 1 of 2

APPLICABILITY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Solar Generation System (Solar System) operated in parallel with Company's electric system. The Solar System shall be limited to a minimum of 500 watts Direct Current (DC) up to a maximum capacity of 10 Kilowatts (kW) DC service entrance capacity. This service is not applicable to resale service. Customer must submit an application to Company for this service. This program is only open for applications for six months after the start of the program.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

Solar System: An existing distributed generation solar system, installed after July 1, 2004 but before February 9, 2009, that is Customer-sited and that is limited to a minimum of 500 watts DC up to a maximum electric service entrance capacity of 10 kW DC. The Solar System rated capacity cannot exceed Customer's service entrance capacity nor Company's distribution capacity that serves Customer. The Solar System capacity rating shall be based on the DC output of the Solar System. All Solar Systems shall be located entirely within Customer's contiguous property. The Solar System will comply with all interconnection standards and safety provisions set forth in Company's rules and regulations, New Mexico Public Regulation Commission, and an Interconnection Agreement between Company and Customer shall be signed. The Solar System shall be owned, operated and maintained by Customer, unless otherwise agreed upon, as set forth specifically in this tariff.

Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatthour (kWh) of electric energy (AC) generated from an eligible Solar System.

SDG-REC Purchase Contract: A contract entered into by Company and Customer, for a term of 14 years, that describes the terms and conditions under which Customer agrees to sell and Company agrees to purchase SDG-RECs.

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REGIONAL VICE PRESIDENT RATES AND

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THIRD REVISED RATE NO. 57 CANCELING SECOND RATE NO. 57

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SMALL SDG-REC PURCHASES PROGRAM

Tariff No. 5009.3

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MONTHLY RATE: All electric power and energy delivered by Company to Customer hereunder shall be received and paid for by Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall net meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4 in the section entitled *QF's 10kW Or Less*, as in effect from time to time with the Commission.

TERMS AND CONDITIONS: This service shall be available to Customers who installed their Solar System on or after July 1, 2004 and before February 9, 2009 and who execute Company's SDG-REC Purchase Contract. Customers will receive an SDG-REC payment for solar energy produced and metered of \$0.10 per kWh Alternating Current (AC), for solar energy produced and metered from a Solar System, provided that Customer's Solar System is fully operational within 9 months of initial application submission. Company will pay Customer for the SDG-RECs each month after Company reads and records the monthly production of the Solar System. Customers shall own, operate and maintain their Solar System, unless otherwise agreed upon. Company will bill Customer on a netmetered basis. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than Customer's monthly usage as measured by Company's meters, the negative consumption as measured by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused Credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to Customer prior to the end of the next billing period.

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THIRD REVISED RATE NO. 58 **CANCELING SECOND RATE NO. 58**

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MEDIUM SDG-REC PURCHASE PROGRAM

Tariff No. 5010.3

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APPLICABILTY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Solar Generation System (Solar System) operated in parallel with Company's electric system. The Solar System shall be limited to a system greater than 10 Kilowatts (kW) Direct Current (DC) up to a maximum capacity of 100 kW DC service entrance capacity. This service is not applicable to resale service. Customer must submit an application to Company for this service. This program is only open for applications for six months after the start of the program.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

- Solar System: An existing distributed generation solar system, installed after July 1, 2004 but before February 9, 2009, that is Customer-sited and that is limited to a system greater than 10 kW DC up to a maximum electric service entrance capacity of 100 kW DC. The Solar System rated capacity cannot exceed Customer's service entrance capacity nor Company's distribution capacity that serves Customer. The Solar System capacity rating shall be based on the DC output of the Solar System. All Solar Systems shall be located entirely within Customer's contiguous property. The Solar System will comply with all interconnection standards and safety provisions set forth in Company's rules and regulations, New Mexico Public Regulation Commission, and an Interconnection Agreement between Company and Customer shall be signed. The Solar System shall be owned, operated and maintained by Customer, unless otherwise agreed upon, as set forth specifically in this tariff.
- Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatthour (kWh) of electric energy (AC) generated from an eligible Solar System.
- SDG-REC Purchase Contract: A contract entered into by Company and Customer, for a term of 10 years, that describes the terms and conditions under which Customer agrees to sell and Company agrees to purchase SDG-RECs.

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MEDIUM SDG-REC PURCHASE PROGRAM

Tariff No. 5010.3

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MONTHLY RATE: All electric power and energy delivered by Company to Customer hereunder shall be received and paid for by Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall net meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4 in the section entitled QF's 10kW Or Less, as in effect from time to time with the Commission.

TERMS AND CONDITIONS: This service shall be available to Customers who installed their Solar System on or after July 1, 2004 and before February 9, 2009 and who execute the Company's SDG-REC Purchase Contract. Customers will receive an SDG-REC payment for solar energy produced and metered of \$0.10 per kWh Alternating Current (AC), for solar energy produced and metered from a Solar System, provided that Customer's Solar System is fully operational within 9 months of initial application submission. Company will pay Customer for the SDG-RECs each month after Company reads and records the monthly production of the Solar System. Customers shall own, operate and maintain their Solar System. Company will bill Customer on a net-metered basis. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than Customer's monthly usage as measured by Company's meters, the negative consumption as measured by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to Customer prior to the end of the next billing period.

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THIRD REVISED RATE NO. 59 CANCELING SECOND RATE NO. 59

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DISTRIBUTED GENERATION STANDBY SERVICE RIDER

Tariff No. 5011.3

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APPLICABILITY: Applicable to Residential, Small General Service, Irrigation, and Small Municipal and School Service Customers participating in any of the Renewable Distributed Generation Programs available under Company's tariffs, and all other Residential, Small General Service, Irrigation, and Small Municipal and School Service Customers not participating in these programs, but who have installed Renewable Distributed Generation Systems under Company's Interconnection Agreement. All power supplied by Company shall be provided by Company under the applicable standard Service Schedules for the Service Class under which Customer falls.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

RATE: Production Standby Charge (PSC) + Transmission and Distribution Standby Charge (TDSC), as defined below

DEFINITIONS

Monthly Actual Production (AP). The actual monthly kWh that is produced from the Customer's Renewable Distributed Generation System, as measured by the production meter of the Customer's Renewable Distributed Generation System.

<u>Production Capacity Cost per kWh (P)</u>. Company cost per kWh for Production Facilities, by Customer class:

Residential	\$0.012357
Small General	\$0.009090
Irrigation	\$0.013519
Small Municipal and School	\$0.007235

<u>Production Capacity Unavailability (UF)</u> Percentage of production capacity, shown below, that Company must have standing by to serve Customer's type of Renewable Distributed Generation.

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DISTRIBUTED GENERATION STANDBY SERVICE RIDER

Tariff No. 5011.3

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For a Solar System	53.0 %
For a Biomass System	30.0 %
For a Wind System	94.9 %

<u>Production Standby Charge (PSC)</u>. The monthly standby charge for production facilities, calculated under the following formula:

$PSC = P \times UF \times AP$

<u>Transmission and Distribution Standby Capacity Cost per kWh (TD)</u> Company cost per kWh for Transmission and Distribution Facilities, by Customer class:

Residential	\$0.036774
Small General	\$0.025031
Irrigation	\$0.047190
Small Municipal and School	\$0.024794

<u>Transmission and Distribution Standby Charge (TDSC)</u>. The monthly standby charge for transmission and distribution facilities, calculated under the following formula:

$TDSC = TD \times AP$

METER INSTALLATION: Company shall install, own, operate, and maintain, the metering to measure the electric power and energy supplied to Customer to allow for proper billing of the separate Applicable Tariff and Standby Service demands and usage hours identified above.

As a result of the electrical or physical configuration of Customer's generation facility, Company may determine that it is more practical or economical to use generation metering installed and owned by Customer, rather than Company-owned metering equipment. If Company, at its sole discretion, makes such a determination, then Customer-owned generation metering may be used for the billing purposes, so long as such metering equipment meets Company's standards for quality and accuracy.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

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DISTRIBUTED GENERATION STANDBY SERVICE RIDER

Tariff No. 5011.3

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METER INSTALLATION (cont.):

If through the course of Company's evaluation of the metering requirements for the generation meter(s), Company determines, at its sole discretion, that it is impracticable, uneconomical or unnecessary to install metering on Customer's generator(s), Company shall determine the billing for the provision of the Standby Service tariff on an unmetered and calculated basis. This determination can only be made if the only electrical load located at Customer's site is station power equipment as defined by the Federal Energy Regulatory Commission. Regardless of the Company's ultimate determination of the requirement (or lack thereof) for installation of the generation metering, a meter will always be required at the point of interconnection between the company and Customer and such meter will measure both delivered and received capacity and energy.

FRANCHISE FEE: All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction Customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate line item.

TERMS OF PAYMENT:

Residential – Net bill due in 20 days after the mailing date. If the twentieth day falls on a holiday or weekend, the date will be the next workday.

Commercial or governmental – Net bill due in 15 days after mailing date. 2% added to bill after 15 days.

RULES, REGULATIONS, AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations, and Conditions of Service on file with the New Mexico Public Regulation Commission.

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THIRD REVISED RATE NO. 62 CANCELING SECOND REVISED RATE NO. 62

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3rd PARTY SMALL SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5014.3

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Page 1 of 3

APPLICABILITY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Distributed Generation Solar System (Solar System) that is owned by a party other than Customer ("3rd Party") and is operated in parallel with Company's electric system. The Solar System shall be limited to a minimum of 500 watts Direct Current (DC) up to a maximum capacity of 10 Kilowatts (kW) DC service entrance capacity. This service is not applicable to resale service. The Customer must submit an application to Company for this service.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

Solar System: A distributed generation solar system that is Customer-sited and that is limited to a minimum of 500 watts DC up to a maximum electric service entrance capacity of 10 kW DC. The Solar System rated capacity cannot exceed Customer's service entrance capacity nor Company's distribution capacity that serves Customer. The Solar System capacity rating shall be based on the DC nameplate output of the Solar System and the Solar System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on Customer's site, which includes all contiguous property owned or leased by Customer. All Solar Systems shall be located entirely within The Solar System will comply with all Customer's contiguous property. interconnection standards and safety provisions set forth in Company's rules and regulations, the New Mexico Public Regulation Commission, and Interconnection Agreement between Company, Customer and the 3rd Party must be signed. The Solar System shall be owned, operated and maintained by the 3rd Party, as set forth specifically in this tariff.

Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatthour (kWh) of electric energy (AC) generated from an eligible Solar System.

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REGIONAL VICE PRESIDENT RATES AND

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THIRD REVISED RATE NO. 62 CANCELING SECOND REVISED RATE NO. 62

3rd PARTY SMALL SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5014.3

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3rd Party SDG-REC Purchase Contract: A contract entered into by Company, Customer and the 3rd Party, for a term of 12 years, that describes the terms and conditions under which the 3rd Party agrees to sell and Company agrees to purchase SDG-RECs.

MONTHLY RATE: All electric power and energy delivered by Company to Customer hereunder shall be received and paid for by Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4, as in effect from time to time with the Commission.

TERMS AND CONDITIONS: This service shall be available to Customers whose system is owned by a 3rd Party and was installed on or after February 9, 2009 and who along with the 3rd Party, execute the Company's 3rd Party SDG-REC Purchase Contract. Based on the table below, the3rd Party will receive an incentive payment per kWh Alternating Current (AC), which includes payment for the SDG-REC for solar energy produced and metered from a Solar System, provided that the 3rd Party's Solar System is fully operational within 9 months of initial application submission. The level of incentive payment will based on the combined nameplate rating of applications received by the Company after December 31, 2010, for small systems. 3rd Parties will receive an incentive payment of 13 cents per kWh for 12 years, until applications received after December 31, 2010 reach a combined nameplate rating of 100 kW for the small program, after which, 3rd Parties will receive an incentive payment of 10 cents per kWh for 12 years. The incentive payment will be 8 cents per kWh for a term of 12 years, after the second 100 kW increment is reached based on nameplate capacity of applications received. Applications approved will receive incentive payments based upon the applicable rate at the time of approval for the contract term.

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3rd PARTY SMALL SOLAR DISTRIBUTED GENERATION PROGRAM

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	Tier 1 100 kW		Tier 2 Next 100 kW		Tier 3 Next 100 kW	
	Incentive Payment (\$/kWh)	Term (yrs)	Incentive Payment (\$/kWh)	Term (yrs)	Incentive Payment (\$/kWh)	Term (yrs)
Small Solar DG Program	\$.13/kWh	12	\$.10/kWh	12	\$.08/kWh	12

TERMS AND CONDITIONS (cont.):

Company will pay the 3rd Party the incentive payment each month after Company reads and records the monthly production of the Solar System. 3rd Party shall own, operate and maintain their Solar System, unless otherwise agreed upon. Company will bill Customer as described above. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than the Customer's monthly usage as measured by Company's meters, the negative consumption as measured by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused Credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to Customer prior to the end of the next billing period.

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THIRD REVISED RATE NO. 63 CANCELING SECOND REVISED RATE NO. 63

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3rd PARTY MEDIUM SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5015.3

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APPLICABILITY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Distributed Generation Solar System (Solar System) that is owned by a party other than Customer ("3rd Party") and is operated in parallel with Company's electric system. The Solar System shall be limited to a system greater than 10 Kilowatts (kW) watts Direct Current (DC) up to a maximum capacity of 100 kW DC service entrance capacity. This service is not applicable to resale service. Customer must submit an application to Company for this service.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

Solar System: A Solar System is a distributed generation solar system that is Customersited and that is limited to a system greater than 10 kW DC up to a maximum electric service entrance capacity of 100 kW DC. The Solar System rated capacity cannot exceed the Customer's service entrance capacity nor Company's distribution capacity that serves the Customer. The Solar System capacity rating shall be based on the DC nameplate output of the Solar System and the Solar System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on the Customer's site, which includes all contiguous property owned or leased by the Customer. All Solar Systems shall be located entirely within the Customer's contiguous property. The Solar System will comply with all interconnection standards and safety provisions set forth in Company's rules and regulations, the New Mexico Public Regulation Commission, and an Interconnection Agreement between Company and the 3rd Party must be signed. The Solar System shall be owned, operated and maintained by the 3rd Party, as set forth specifically in this tariff.

Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatthour (kWh) of electric energy (AC) generated from an eligible Solar System.

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REGIONAL VICE PRESIDENT RATES AND

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THIRD REVISED RATE NO. 63 CANCELING SECOND REVISED RATE NO. 63

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3rd PARTY MEDIUM SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5015.3

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- 3rd Party SDG-REC Purchase Contract: A contract entered into by Company, Customer and the 3rd Party, for a term of 10 years, that describes the terms and conditions under which the 3rd Party agrees to sell and Company agrees to purchase SDG-RECs.
- MONTHLY RATE: All electric power and energy delivered by Company to the Customer hereunder shall be received and paid for by the Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4, as in effect from time to time with the Commission.
- TERMS AND CONDITIONS: This service shall be available to Customers whose system is owned by a 3rd Party and was installed on or after February 9, 2009 and who along with the 3rd Party, execute Company's 3rd Party SDG-REC Purchase Contract. Based on the table below, 3rd Parties will receive an incentive payment per kWh Alternating Current (AC), which includes payment for the SDG-REC for solar energy produced and metered from a Solar System, provided that the 3rd Party's Solar System is fully operational within 9 months of initial application submission. The level of incentive payment will based on the combined nameplate rating of applications received by Company after December 31, 2010, for small systems. 3rd Parties will receive an incentive payment of 13 cents per kWh for 10 years, until applications received after December 31, 2010 reach a combined nameplate rating of 500 kW for the medium program, after which, 3rd Parties will receive an incentive payment of 10 cents per kWh for 10 years. The incentive payment will be 8 cents per kWh for a term of 10 years, after the second 500 kW increment is reached based on nameplate capacity of applications received. Applications approved will receive incentive payments based upon the applicable rate at the time of approval for the contract term.

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THIRD REVISED RATE NO. 63 CANCELING SECOND REVISED RATE NO. 63

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3rd PARTY MEDIUM SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5015.3

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TERMS AND CONDITIONS (cont.):

	Tier 1 500 kW		Tier 2 Next 500 kW		Tier 3 Next 500 kW	
	Incentive Payment (\$/kWh)	Term (yrs)	Incentive Payment (\$/kWh)	Term (yrs)	Incentive Payment (\$/kWh)	Term (yrs)
Medium Solar DG Program	\$.13/kWh	10	\$.10/kWh	10	\$.08/kWh	10

Company will pay the 3rd Party the incentive payment each month after Company reads and records the monthly production of the Solar System. 3rd Party shall own, operate and maintain their Solar System, unless otherwise agreed upon. Company will bill the Customer as described above. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than the Customer's monthly usage as measured by Company's meters, the negative consumption as measured by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused Credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to Customer prior to the end of the next billing period.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

SECOND REVISED RATE NO. 64 CANCELLING FIRST RATE NO. 64

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3rd PARTY LARGE SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5016.2

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APPLICABILITY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Distributed Generation Solar System (Solar System) that is owned by a party other than Customer ("3rd Party") and is operated in parallel with Company's electric system. The Solar System shall be limited to a system greater than 100 Kilowatts (kW) Direct Current (DC) up to a maximum capacity of 2 Megawatts (MW) DC service entrance capacity. Not applicable to resale service. The 3rd Party must be a successful bidder in the Company's Request For Proposal (RFP) for solar systems, to qualify for this service.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

Solar System: A Solar System is a solar distributed generation system that is Customer-sited and that is greater than 100 kW DC up to a maximum electric service entrance capacity of 2 MW DC. The Solar System rated capacity cannot exceed the Customer's service entrance capacity nor the Company's distribution capacity that serves the Customer. The Solar System capacity rating shall be based on the DC nameplate output of the Solar System and the Solar System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on the Customer's site, which includes all contiguous property owned or leased by the Customer. All Solar Systems shall be located entirely within the Customer's contiguous property. The Solar System will comply with all interconnection standards and safety provisions set forth in Company's rules and regulations, the New Mexico Public Regulation Commission, and an Interconnection Agreement between Company, Customer and the 3rd Party must be signed. The Solar System shall be owned, operated and maintained by the 3rd Party as set forth specifically in this tariff.

Solar Distributed Generation Renewable Energy Certificate(s) or "SDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of solar renewable energy. One SDG-REC results from one kilowatthour (kWh) of electric energy (AC) generated from an eligible Solar System.

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REGIONAL VICE PRESIDENT RATES AND

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3rd PARTY LARGE SOLAR DISTRIBUTED GENERATION PROGRAM

Tariff No. 5016.2

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3rd Party SDG-REC Purchase Contract: A contract entered into by Company and Customer that describes the terms and conditions under which the Customer agrees to sell and SPS agrees to purchase SDG-RECs. The rate paid to the Customer shall be no greater than the rate paid for SDG-RECs under the Medium Distributed Generation Program Tariff Rate No. 53 in effect at the time of execution of the contract.

MONTHLY RATE: All electric power and energy delivered by Company to the Customer hereunder shall be received and paid for by the Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall meter all electric power and energy produced by the Solar System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4, as in effect from time to time with the Commission.

TERMS AND CONDITIONS: This service shall be available to Customers whose system is owned by a 3rd Party and was installed on or after February 9, 2009, and to 3rd Parties who are successful bidders in Company's RFP for solar systems and who along with the Customer execute Company's 3rd Party SDG-REC Purchase Contract. The 3rd Party will receive an incentive payment that includes payment for the SDG-REC, per kWh AC, for solar energy produced and metered from a Solar System equal to their accepted bid in the RFP, and measured by Company's meter installed on the Solar System. Company will pay the 3rd Party the incentive payment each month after Company reads and records the monthly production of the Solar System. 3rd Party shall own, operate and maintain their Solar System, unless otherwise agreed upon. Company will bill the Customer as described above. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Solar System. In the event that the monthly production of the Solar System is more than Customer's monthly usage as measured by Company's meters, the negative consumption as measured by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as

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SECOND REVISED RATE NO. 64 **CANCELLING FIRST RATE NO. 64**

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3rd PARTY LARGE SOLAR DISTRIBUTED GENERATION PROGRAM

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TERMS AND CONDITIONS (cont.)

determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic Unused Credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to Customer prior to the end of the next billing period.

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REGIONAL VICE PRESIDENT RATES AND

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3rd PARTY SMALL BIOMASS DISTRIBUTED GENERATION PROGRAM

Tariff No. 5017.2

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APPLICABILITY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Distributed Generation Biomass System (Biomass System) that is owned by a party other than Customer ("3rd Party") and is operated in parallel with Company's electric system. The Biomass System shall be limited to a minimum of 10 Kilowatts (kW) Alternating Current (AC) up to a maximum capacity of 50 kW AC. This service is not applicable to resale service. Customer must submit an application to Company for this service.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

Biomass System: A Biomass System is a biomass distributed generation system that is Customer-sited and that is limited to a minimum of 10 kW AC up to a maximum capacity of 50 kW AC. The Biomass System rated capacity cannot exceed the Customer's service entrance capacity nor the Company's distribution capacity that serves the Customer. The Biomass System capacity rating shall be based on the DC nameplate output of the Biomass System and the Biomass System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on the Customer's site, which includes all contiguous property owned or leased by the Customer. All Biomass Systems shall be located entirely within the Customer's contiguous property. The Biomass System will comply with all interconnection standards and safety provisions set forth in Company's rules and regulations, the New Mexico Public Regulation Commission, and an Interconnection Agreement between Company, 3rd Party and Customer must be signed. The Biomass System shall be owned, operated and maintained by the 3rd Party, unless otherwise agreed upon, as set forth specifically in this tariff.

Biomass Distributed Generation Renewable Energy Certificate(s) or "BDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of renewable energy. One BDG-REC results from one kilowatt-hour (kWh) of electric energy (AC) generated from an eligible Biomass System.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

SECOND REVISED RATE NO. 65 CANCELLING FIRST RATE NO. 65

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3rd PARTY SMALL BIOMASS DISTRIBUTED GENERATION PROGRAM

Tariff No. 5017.2

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3rd Party BDG-REC Purchase Contract: A contract entered into by Company, Customer and the 3rd Party, for a term of 14 years, that describes the terms and conditions under which the 3rd Party agrees to sell and Company agrees to purchase BDG-RECs.

MONTHLY RATE: All electric power and energy delivered by Company to Customer hereunder shall be received and paid for by the Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall meter all electric power and energy produced by the Biomass System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4. as in effect from time to time with the Commission.

TERMS AND CONDITIONS: This service shall be available to Customers whose system is owned by a 3rd Party and was installed on or after February 9, 2009 and who along with the 3rd Party, execute Company's 3rd Party BDG-REC Purchase Contract. The 3rd Party will receive an incentive payment that includes payment for the BDG-REC of \$0.08 per kWh Alternating Current (AC), for biomass energy produced and metered from a Biomass System, provided that the 3rd Party's Biomass System is fully operational within 9 months of initial application submission. Company will pay the 3rd Party the incentive payment each month after Company reads and records the monthly production of the Biomass System. 3rd Party shall own, operate and maintain their Biomass System, unless otherwise agreed upon. Company will bill Customer as described above. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Biomass System. In the event that the monthly production of the Biomass System is more than Customer's monthly usage as measured by Company's meters, the negative consumption as measured by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit

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SECOND REVISED RATE NO. 65 CANCELLING FIRST RATE NO. 65

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3^{rd} PARTY SMALL BIOMASS DISTRIBUTED GENERATION PROGRAM

Tariff No. 5017.2

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TERMS AND CONDITIONS (cont.):

will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused Credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to the Customer prior to the end of the next billing period.

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REGIONAL VICE PRESIDENT RATES AND

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3rd PARTY MEDIUM BIOMASS DISTRIBUTED GENERATION PROGRAM

Tariff No. 5018.2

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APPLICABILITY: Applicable to residential, commercial and industrial Customers whose electric service is connected to an on-site Distributed Generation Biomass System (Biomass System) that is owned by a party other than Customer ("3rd Party") and is operated in parallel with Company's electric system. The Biomass System shall be limited to a system greater than 50 Kilowatts (kW) Alternating Current (AC) up to a maximum capacity of 1 Megawatt (MW) AC. This service is not applicable to resale service. Customer must submit an application to Company for this service.

TERRITORY: All electric Customers in Company's New Mexico territory.

DEFINITIONS:

Biomass System: A Biomass System is a biomass distributed generation system that is Customer-sited and that is limited to a system greater than 50 kW AC up to a maximum capacity of 1 MW AC. The Biomass System rated capacity cannot exceed Customer's service entrance capacity nor Company's distribution capacity that serves Customer. The Biomass System capacity rating shall be based on the DC nameplate output of the Biomass System and the Biomass System shall be sized to supply no more than one hundred twenty percent (120%) of the average annual consumption on the Customer's site, which includes all contiguous property owned or leased by the Customer. All Biomass Systems shall be located entirely within the Customer's contiguous property. The Biomass System will comply with all interconnection standards and safety provisions set forth in Company's rules and regulations, the New Mexico Public Regulation Commission, and an Interconnection Agreement between Company, Customer and the 3rd Party must be signed. The Biomass System shall be owned, operated and maintained by the 3rd Party, unless otherwise agreed upon, as set forth specifically in this tariff.

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3rd PARTY MEDIUM BIOMASS DISTRIBUTED GENERATION PROGRAM

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- Biomass Distributed Generation Renewable Energy Certificate(s) or "BDG-REC(s)": A contractual right to the full set of environmental attributes associated with the generation of renewable energy. One BDG-REC results from one kilowatt-hour (kWh) of electric energy (AC) generated from an eligible Biomass System.
- <u>BDG-REC Purchase Contract</u>: A contract entered into by Company, Customer and the 3rd Party, for a term of 10 years, that describes the terms and conditions under which the 3rd Party agrees to sell and Company agrees to purchase BDG-RECs.
- MONTHLY RATE: All electric power and energy delivered by Company to Customer hereunder shall be received and paid for by Customer under the applicable approved residential, commercial or industrial service tariff as such Rates, Rules and Regulations are on file and in effect from time to time with the Commission. Company shall meter all electric power and energy produced by the Biomass System, as set forth in the Purchases From Qualifying Facilities Tariff Rate No. 4, as in effect from time to time with the Commission.
- TERMS AND CONDITIONS: This service shall be available to Customers whose system is owned by a 3rd Party and was installed on or after February 9, 2009 and who along with the 3rd Party, execute the Company's 3rd Party BDG-REC Purchase Contract. The 3rd Party will receive an incentive payment that includes payment for the BDG-REC of \$0.08 per kWh Alternating Current (AC), for biomass energy produced and metered from a Biomass System, provided that the 3rd Party's Biomass System is fully operational within 9 months of initial application submission. Company will pay the 3rd Party the incentive payment each month after Company reads and records the monthly production of the Biomass System, unless otherwise agreed upon. Company will bill the Customer as described above. Company shall install, or cause to be installed, own, operate and maintain a meter to measure the production of the Biomass System. In the event that the monthly production of the Biomass System is more than Customer's monthly usage as measured by Company's meters, the negative consumption as measured

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TERMS AND CONDITIONS (cont.):

by Company's sales meter shall be considered excess energy. Company will credit Customer for such excess energy at the end of each month based on the Locational Marginal Price (LMP) for Energy at a given Settlement Location as determined by the Southwest Power Pool (SPP). The price used each month in the initial calculation of credit will be based on the previous calendar year average price and will be adjusted in following months to the actual price on a periodic basis. Unused Credits shall be carried over to the next billing period; if the amount of the credit reaches \$50, a check will then be sent to the Customer prior to the end of the next billing period.

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REGIONAL VICE PRESIDENT RATES AND REGULATORY AFFAIRS

THIRD REVISED RATE NO. 67 **CANCELING SECOND RATE NO. 67**

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STANDBY SERVICE RIDER

Tariff No. 4026.3

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APPLICABILITY: Under contract for electric service provided under the Secondary General Service, Primary General Service, Large Municipal and School Service or Large General Service Transmission tariffs ("Applicable Tariffs") at applicable voltage supplied at one point of delivery, for which Company's service is used as standby backup or maintenance service. Applies to Customers who operate any electric generating equipment in parallel with Company's electric system which normally serves all or a portion of Customer's electrical load requirements; who requires Standby Capacity from Company; and who desire use of Company's electrical service for temporary backup or maintenance power and energy. Not applicable to power generated for resale.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

AVAILABILITY: Service hereunder is available only to Customers who have executed an Electric Standby Agreement with Company that specifies the Customer's Contract Standby Capacity and Total Load requirements. All power service supplied by Company to Customer in excess of the contract Standby Capacity shall be provided by Company under the Applicable Tariff. Service hereunder is not available to Customers taking service under Company's Interruptible Credit Option ("ICO") Summer Only ICO, or Voluntary Load Reduction Purchase Option tariffs. Customers receiving service under this rider shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period.

RATES:

SECONDARY:

\$27.10 per month Service Availability Charge:

Transmission & Distribution Standby Capacity Fee – Summer: \$9.23/ kW Month Transmission & Distribution Standby Capacity Fee – Winter: \$7.38/ kW Month

\$2.06/ kW Month Generation Standby Capacity Fee – Summer: Generation Standby Capacity Fee - Winter: \$1.65/ kW Month

\$0.031507 per kWh **Energy Charge:**

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PRIMARY:	
Service Availability Charge:	\$54.90 per month
Transmission & Distribution Standby Capacity Fee - Summer:	\$8.06/ kW Month
Transmission & Distribution Standby Capacity Fee – Winter:	\$6.37 / kW Month
Generation Standby Capacity Fee – Summer:	\$1.89 / kW Month
Generation Standby Capacity Fee – Winter:	\$1.56 / kW Month
Energy Charge:	\$0.030071 per kW
LARGE MUNICIPAL AND SCHOOL:	
Service Availability Charge:	\$27.10 per month
Transmission & Distribution Standby Capacity Fee - Summer:	\$9.50/ kW Month
Transmission & Distribution Standby Capacity Fee – Winter:	\$7.65/ kW Month
Generation Standby Capacity Fee - Summer:	\$1.47/ kW Month
Generation Standby Capacity Fee – Winter:	\$1.19/ kW Month
Energy Charge:	\$0.033815 per kW
TRANSMISSION – 69kV:	
Service Availability Charge:	\$689.00 per month
Transmission & Distribution Standby Capacity Fee – Summer:	\$4.19/ kW Month
Transmission & Distribution Standby Capacity Fee – Winter:	\$3.82/ kW Month
Generation Standby Capacity Fee – Summer:	\$1.54/ kW Month
Generation Standby Capacity Fee – Winter:	\$1.40/ kW Month

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TRANSMISSION - BACKBONE:

Service Availability Charge:

\$689.00 per month

Transmission & Distribution Standby Capacity Fee – Summer:

\$3.70/ kW Month

Transmission & Distribution Standby Capacity Fee – Winter:

\$3.31/ kW Month

Generation Standby Capacity Fee – Summer:

\$1.68/ kW Month \$1,39/ kW Month

Generation Standby Capacity Fee – Winter:

Energy Charge:

\$0.028893per kWh

EXCESS USAGE:

If Customer Usage Hours exceed 120 Usage Hours, the above charges shall not apply and Customer shall pay the Applicable Tariff rates for all demand and energy supplied by Company. Further, Customer shall not be eligible to take service under this Standby Service Rider until June 1 of the following calendar year.

SUMMER MONTHS: The billing months of June – September.

WINTER MONTHS: The billing months of October – May.

DEFINITIONS:

CUSTOMER'S TOTAL LOAD: Customer's Total Load shall be determined by meter measurement as total capacity requirements of Customer, regardless of whether such capacity is supplied by Company, Customer's own generation equipment, or a combination of both.

CONTRACT STANDBY CAPACITY: The level of Contract Standby Capacity in kilowatts the Company reserves in its transmission and distribution systems and its generation for the Customer as set forth in the Electric Standby Service Agreement. For each year the Customer's maximum standby capacity shall represent the difference between the Customer's peak 30-minute Total Load from the previous calendar year and the average Total Load from the Company in the previous calendar year. Subject to the comparison of the Customer peak 30-minute Total Load provided by the Company and the average Total Load provided by the Company, the Contract Standby Capacity is limited to and is the lesser of:

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CONTRACT STANDBY CAPACITY (cont.):

- the Customer's Total Load,
- the Customer's generation capacity, or
- an amount agreed to by the Company and the Customer.
- SUPPLEMENTAL DEMAND: If Customer's Total Load is in excess of the Contract Standby Demand, the Supplemental Demand (kW) is equal to Customer's Total Load minus the Contract Standby Capacity. Supplemental Demand and energy will be billed on the Applicable Tariff.
- **STANDBY SERVICE:** Standby Service shall be the service provided by Company under this Standby Service rider.
- **PEAK HOURS:** Peak hours are 12 p.m. through 8 p.m. everyday during the Summer Months.
- **USAGE HOURS:** Each Peak Hour during which a 30-minute interval of Customer generation is less than the lower of Customer usage or 60% of Contract Standby Capacity is considered a Usage Hour. If the number of Usage Hours in a Summer is 121 or more hours, Customer shall pay according to the provisions of Excess Usage.
- CONTRACT PERIOD: All contracts under this schedule shall be for a minimum period of one year and one-year periods thereafter until terminated, where service is no longer required, on 30 days notice. Greater minimum periods may be required by contract in situations involving large or unusual loads. In addition, if Customer is selling Renewable Energy Credits ("REC") to Company, then the contract period for Standby Service must be the same as the term of contract under which Customer sells RECs to Company.
- METER INSTALLATION: Company shall install, own, operate, and maintain, the metering to measure the electric power and energy supplied to Customer to allow for proper billing of the separate Applicable Tariff and Standby Service demands and usage hours identified above. Specifically, Company will install interval data recording ("IDR") meters or equivalent that measure the flow of power and energy of both Customer's own generating facility ("generation metering") and Customer's load ("Load Metering").

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METER INSTALLATION (cont.):

As a result of the electrical or physical configuration of Customer's generation facility, Company may determine that it is more practical or economical to use generation metering installed and owned by Customer, rather than Company-owned metering equipment. If Company, at its sole discretion, makes such a determination, then Customer-owned generation metering may be used for the billing purposes, so long as such metering equipment meets Company's standards for quality and accuracy.

If through the course of Company's evaluation of the metering requirements for the generation meter(s), Company determines, at its sole discretion, that it is impracticable, uneconomical or unnecessary to install metering on Customer's generator(s), Company shall determine the billing for the provision of the Standby Service tariff on an unmetered and calculated basis. This determination can only be made if the only electrical load located at Customer's site is station power equipment as defined by the Federal Energy Regulatory Commission.

Regardless of Company's ultimate determination of the requirement (or lack thereof) for installation of the generation metering, a meter will always be required at the point of interconnection between Company and Customer and such meter will measure both delivered and received capacity and energy.

ADDITIONAL TERMS AND CONDITIONS OF SERVICE WITH STANDBY SCHEDULED MAINTENANCE:

Qualifying Scheduled Maintenance Periods must occur within the winter months as defined above. Customer must provide Company with 30 days written notice of scheduled maintenance prior to the beginning of the maintenance period.

FUEL COST ADJUSTMENT: Same as applicable class of service.

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.

CHARACTER OF SERVICE: Alternating current; 60 hertz; single or three phase, at one available standard voltage.

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FIRST REVISED RATE NO. 72 CANCELING ORIGINAL RATE NO. 72

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FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE

Tariff No. 7107.1

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APPLICABILITY: Electric service shall be subject to a Fuel and Purchased Power Cost Adjustment Clause (FPPCAC).

FPPCAC: The FPPCAC recognizes loss adjustments due to different voltage levels of service:

		Line Losses	
A.	Backbone Transmission Voltage (If Customer takes service and is metered at 115,000 volts or higher)	2.5158%	X
В.	Sub-Transmission Voltage (If Customer takes service and is metered at 69,000 volts up to 115,000 volts)	3.2914%	X
C.	Primary Voltage (If Customer takes service and is metered at 2,400 volts or higher but less than 69,000 volts)	9.9263%	X
D.	Secondary Voltage (If Customer takes service and is metered at or below 480 volts)	12.0217%	X

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ORIGINAL RATE NO. 73

GENERAL SERVICE - EXPERIMENTAL TIME OF USE RATE

Tariff No. 4030

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APPLICABILITY: Optional rate limited to a combination of 40 commercial and industrial electric service customers supplied at either secondary or primary voltage at one Point of Delivery and measured through one meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, in excess of 10 kW of demand.

Applicable to service rendered on and after the later of: (1) the expiration of the 30-day notice period under Section 62-8-7(B) NMSA 1978; or (2) the expiration of any suspension period(s) under Section 62-8-7(C) NMSA 1978 determined by the Commission in Case No. 15-00139-UT.

If Customer elects service under this rate schedule, Customer must continue to take service under this optional rate for a minimum of 12 consecutive months.

Each year, Company will review the demand of all Customers receiving service under this tariff. If the average of Customer's twelve monthly demands in the immediately preceding calendar year does not exceed 10 kW, then Customer is not eligible to continue receiving service under this tariff.

Not applicable to standby, supplementary, resale or shared service, or service to oil and natural gas production Customers.

TERRITORY: New Mexico service territory.

RATE:

	Secondary Voltage	Primary Voltage
Service Availability Charge	\$29.10	\$56.90
Energy Charge, Off-Peak hours	\$0.031507	\$0.030071
Energy Charge, On-Peak hours	\$0.155660	\$0.134376
Demand Charge	\$11.87	\$11.20

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ALTERNATE EXPERIMENTAL TIME OF USE RIDER

ON-PEAK HOURS: 12 p.m. through 6 p.m., Monday through Friday during the months of June through September.

OFF-PEAK HOURS: All other hours not covered in the On-Peak period.

Availability limited to a maximum of 20 customers that qualify for service under Secondary General Service and 20 customers that qualify for service under Primary General Service. Customers must contract for service under this experimental tariff for a minimum of 12 consecutive calendar months.

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

TERMS OF PAYMENT: Net in 15 days after mailing date; 2% added to bill after 15 days.

COINCIDENTAL METERING AND BILLING DEMAND PROVISION:

Coincidental metering and billing demand is available at Customer's request to have multiple service points served under this rate aggregated such that load point coincidental demands and kWh are combined for billing. The Service Availability Charge is applicable for each aggregated service point. Each load point shall be under contract and individually qualify under the Secondary General Service or Primary General Service rate and normally contribute not less than 200 kW to the coincidental demand each month. If a load point coincidental demand falls below 200 kW demand three or more months during any twelve-month period, Company

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COINCIDENTAL METERING AND BILLING DEMAND PROVISION (cont.):

has the option of removing that load point from coincidental billing. Customer will pay for and allow Company to install all necessary metering and communication equipment to determine the aggregate coincidental demand.

- **LOSS ADJUSTMENT:** For Primary General Service Accounts, meter readings used for billing shall be increased to include all transformation losses, when secondary voltage metering is installed on Customer's side of the Point of Delivery.
- **DETERMINATION OF DEMAND:** The kW determined from Company's demand meter for the 30-minute period of Customer's greatest kW use during the month.
- **ALLOCATION OF REVENUE:** Revenue will be allocated to each individual meter on an energy basis for the purposes of taxation and determination.
- **POWER FACTOR ADJUSTMENT:** Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

- FUEL COST ADJUSTMENT: The charge per kWh of the above rate shall be increased or decreased by the amount that Company's voltage level adjusted average cost of fuel and purchased power per kWh delivered, exceeds, or is less than \$0.026942 per kWh (Primary) and \$0.027461 per kWh (Secondary), as specified by NMPRC Rule 550.
- **CHARACTER OF SERVICE:** A-C; 60 hertz; single or three phase at Company's available primary voltage that is higher than 2.4 kV but less than 69 kV.

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

CONTRACT PERIOD: One year or longer.

- **PRIMARY GENERAL SERVICE LINE EXTENSIONS:** Company will make line extensions in accordance with its standard line extension policy. No transformation will be made by Company at the Point of Delivery.
- **SECONDARY GENERAL SERVICE LINE EXTENSIONS:** Company will make line extensions in accordance with its standard line extension policy.
- **FRANCHISE FEE:** All current and future franchise fees not included in base rates shall be separately assessed in the municipality where the excess franchise fee is authorized. Bills computed under the above rate will be increased by the additional franchise fees imposed by the appropriate municipality or taxing authority in which jurisdiction the customer's consuming facility resides, when applicable. The franchise fee will appear on the bill as a separate item.
- RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the New Mexico Public Regulation Commission. A Contract may be required by Company to be executed prior to extending service if Customer's load is expected to be greater than 200 kW. The contract term shall contain a minimum contract period with an automatic renewable provision from year to year thereafter.

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