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August 20, 2013

Mr. Nick Guillen
New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo de Peralta
Santa Fe, NM 87501

RE: PNM's Fuel and Purchased Power Cost Adjustment Clause Report for July, 2013

Dear Mr. Guillen:

In compliance with 17.9.550 NMAC ("Rule 550") and consistent with the Final Order of the New Mexico Public Regulation Commission ("Commission") in Case No. 10-00086-UT, Public Service Company of New Mexico ("PNM") hereby files its FPPCAC Monthly Report for the month of July, 2013 with supporting work papers.

The original and five copies are for filing. Please conform the extra copy for our files and return with our courier. If you have any questions regarding this filing, please contact me at 505-241-2479.

Respectfully,

A handwritten signature in black ink that reads "Thomas J. Wander".

Thomas J. Wander
Senior Project Manager, Regulatory

cc: Jim Brack (NMPRC Staff)
Nancy Burns (NMPRC Staff)
Bruno Carrara (NMPRC Staff)
Jeff Taylor (Attorney General)
DCC – MS-0815 (PNM)

PUBLIC SERVICE COMPANY OF NEW MEXICO
RULE 550 FORM I
July-2013

NEW MEXICO
 PUBLIC SERVICE COMPANY

1. ACCOUNT 501 - FUEL EXPENSE		
a) COAL	\$	14,315,686
b) GAS	\$	5,097,342
c) OIL	\$	273,621
d) TOTAL ACCT 501 FUEL EXPENSE	\$	19,686,649
2. ACCOUNT 518 - NUCLEAR FUEL EXPENSE	\$	1,479,822
3. ACCOUNT 555 - PURCHASED POWER EXPENSE		
a) FIRM/CAPACITY		
FIRM (Delta+Valencia)	\$	971,168
HAZARD SHARING / EMERGENCY	\$	6,470
BANK (NET)	\$	-
SPINNING RESERVES	\$	-
TOTAL FIRM/CAPACITY	\$	977,638
b) CONTINGENT/UNIT COMMITMENT (Wind)	\$	772,923
c) ECONOMY	\$	1,937,999
d) TOTAL PURCHASED POWER EXPENSE	\$	3,688,560
4. LESS ACCOUNT 447 - SALES FOR RESALE		
a) FIRM/CAPACITY		
CAPACITY	\$	-
FIRM	\$	-
HAZARD SHARING / EMERGENCY	\$	(2,409)
SPINNING RESERVES	\$	-
b) CONTINGENT	\$	-
c) ECONOMY (100% Off-System sales)	\$	(2,406,345)
d) FIRM SURPLUS	\$	-
SYSTEM SALES	\$	-
BLOCK SALES	\$	-
e) TOTAL SALES FOR RESALE	\$	(2,408,754)
5. APPLICABLE FUEL AND PURCHASED POWER EXPENSE		
SUB-TOTAL OF ITEMS 1(d) + 2 + 3(d) + 4(e)	\$	22,446,277
6. APPLICABLE KWH SALES		
TOTAL ENERGY BILLED CURRENT MONTH		841,235,760
7. BASE FUEL AND PURCHASED POWER EXPENSE		
TOTAL FUEL BILLED FOR CURRENT MONTH	\$	21,430,083
8. INCREASED OR (DECREASED) FUEL AND PURCHASED POWER		
CURRENT MONTH EXPENSE - (ITEM 5 LESS ITEM 7)	\$	1,016,194
9. BALANCING ACCOUNT		
a) INCREASED FUEL AND PURCHASED POWER EXPENSE PRIOR MONTHS	\$	59,765,422
CARRYING CHARGE (OVER)COLLECTION @ 11.66%	\$	-
CARRYING CHARGE UNDER COLLECTION @ 3.06%	\$	27,160
b) FUEL AND PURCHASED POWER COST ADJUSTMENT REVENUE BILLED IN THE CURRENT MONTH (ITEM 8)	\$	1,016,194
SUBTOTAL: ITEM 9a (less) ITEM 9b	\$	60,808,776
c) OTHER ADJUSTMENTS/RULE 550 VARIANCE (ITEMIZE) PRIOR MONTH(s)	\$	25,648
d) BALANCING ACCOUNT TOTAL (OVER)/UNDER COLLECTED	\$	60,834,424
10. FUEL AND PURCHASED POWER COST ADJUSTMENT FACTOR - Footnote 1		N/A
11. ATTACH A STATEMENT OF VARIANCES TO RULE 550.		N/A

Footnote

(1) The average FPPCAC Factor from July 1, 2013 through June 30, 2014 is \$0.004192 per kWh

PUBLIC SERVICE COMPANY OF NEW MEXICO

Generation Fuel Expense-July 2013

No. Description	Cost (\$)	Energy (MWh)	(\$/MWh)	PNM Electric Retail (2) (%)	Form 1 (\$)	Energy (MWh)	Form 1 Reference
1 Coal							
2 San Juan	13,861,317	489,223	28.89	92.93%	12,881,322	454,635	
3 San Juan-Amortization and Deferred Costs (3)	(20,444)	-	-	100.00%	(20,444)	-	
4 Four Corners	1,565,487	80,463	19.85	92.93%	1,454,807	74,774	
5 Total Coal	15,406,361	569,686	27.04		14,315,686	529,409	1.a)
6							
7 Gas/Oil/Solar							
8 Four Corners Gas	31,524	-	-	92.93%	29,296	-	
9 Afton Gas	3,450,684	122,657	28.13	92.93%	3,206,720	113,985	
10 Load Side Afton Gas (1)	-	-	-	92.93%	-	-	
11 Afton Gas-Physical Hedge (4)	-	-	-	100.00%	(4,809)	-	
12 Reeves Gas	790,459	16,512	47.87	92.93%	734,574	15,345	
13 Load Side Reeves Gas (1)	300,922	6,286	47.87	92.93%	279,647	5,842	
14 Solar Energy (5)	-	4,356	-	100.00%	-	4,356	
15 Reeves Gas-Physical Hedge (4)	-	-	-	100.00%	-	-	
16 Luna Gas	837,288	30,919	27.08	92.93%	778,092	28,733	
17 Luna Gas-Physical Hedge (4)	-	-	-	100.00%	(2,786)	-	
18 Lordsburg Gas	40,739	416	97.93	92.93%	37,859	387	
19 Lordsburg Gas-Physical Hedge (4)	-	-	-	100.00%	-	-	
20 Gas Hedge - Physical Settlement	-	-	-	100.00%	-	-	
21 Gas Hedge - Financial Settlement	-	-	-	100.00%	-	-	
22 Subtotal Gas/Solar	5,490,367	181,146	30.31		5,097,342	168,647	1.b.1)
23							1.b)
24 San Juan Oil	294,437	-	-	92.93%	273,621	-	
25 Subtotal Oil	294,437	-	-		273,621	-	1.c)
26							
27 Subtotal 1.d)	21,191,165	750,832	28.22		19,686,649	698,056	1.d)
28							
29 Palo Verde	2,388,737	294,699	8.11	61.95%	1,479,822	182,566	2.
30							
31 Total Fuel	23,579,902	1,045,531	22.55		21,166,471	880,622	
32							
33 Excluded From Fuel Clause Costs in 501, 518							
34 San Juan Fuel Handling	1,208,300	-	-	0.00%	-	-	
35 Four Corners Fuel Handling	32,473	-	-	0.00%	-	-	
36 Palo Verde Fuel Handling	320,842	-	-	0.00%	-	-	
37 San Juan Surface Mine Decommissioning	495,900	-	-	0.00%	-	-	
38 San Juan Underground Mine Decommissioning	45,320	-	-	0.00%	-	-	
39 Four Corners Mine Decommissioning	119,637	-	-	0.00%	-	-	
40 Total Excluded From Fuel Clause Costs in 501,518	2,222,472	-	-		-	-	
41							
42 Total Costs in FERCs 501, 518	25,802,374	1,045,531	24.68		21,166,471	880,622	

- (1) Load Side used for transmission support
- (2) Allocation percentages from Rate Case No. 10-00086-UT (As of August 21, 2011)
- (3) Debit/Credit of previously Amortized and Deferred NMPPRC Jurisdictional Coal Costs
- (4) Physical Purchases of Hedged Gas-Page 10
- (5) Renewable solar energy from Utility Owned Resources

PUBLIC SERVICE COMPANY OF NEW MEXICO

Purchase Power Expense-July 2013

No. Description	Demand		Energy		Total		Demand		Energy		PNM Electric Retail		Form I Reference
	Cost (\$)	Energy (MWh)	Cost (\$)	Energy (MWh)	Cost (\$)	Energy (MWh)	Cost (\$/MWh)	Energy (MWh)	Cost (\$/MWh)	Energy (MWh)	Charge Share (%)	Energy Share (%)	
2 Firm/Capacity Purchases													
3 Delta (4)	583,358		30,354	613,712	661		45.90	0.00%	0.00%	28,208	92.93%	615	3. a)
4 Load Side Delta (1), (4)			114,279	114,279	2,490		45.90	0.00%	0.00%	106,199	92.93%	2,314	
5 Delta Gas Hedge								100.00%	100.00%				
6 Valencia (4)	1,701,313		540,564	2,241,877	10,772		50.18	0.00%	0.00%	502,346	92.93%	10,010	
7 Load Side Valencia (1), (4)			359,857	359,857	7,171		50.18	0.00%	0.00%	334,415	92.93%	6,664	
8 Valencia Gas Hedge								100.00%	100.00%				
9 SRSR Emergency Purchases (2)			6,962	6,962	200		34.81	0.00%	0.00%	6,470	92.93%	186	
10 Spinning Reserves (3)								0.00%	0.00%				
11 Total Firm/Capacity Purchases	2,284,671		1,052,015	3,336,687	21,294		49.40			977,638		19,789	3. a)
13 Contingent/Unit Commitment Purchases													
14 NMWEC			775,937	775,937	28,495		27.23	0.00%	0.00%	775,937	100.00%	28,495	
15 Less: Sky Blue NMWEC			(3,014)	(3,014)	(1,575)		1.913	0.00%	0.00%	(3,014)	100.00%	(1,575)	
16 Total Contingent/Unit Commitment Purchases			772,923	772,923	26,920		29.14			772,923		26,920	3. b)
17													
18 Economy Purchases													
19 Purchase Power - Financial (5)													
20 Purchase Power - Physical (6)			4,133	4,133				0%	0%		100%		
21 Purchase Power - Energy Buy Back (7)								0%	0%		100%		
22 Other Purchased Power	49,675		2,521,452	2,571,127	63,992		39.40			1,933,866		47,467	3. c)
23 Total Economy Purchases	49,675		2,525,585	2,575,260	63,992		39.47			1,937,999		47,467	
24													
25 Total Purchased Power	2,334,346		4,350,523	6,684,870	112,206		38.77			3,688,560		94,176	3. d)

- (1) Lead Side used for transmission support
- (2) Emergency Assistance: Energy provided to a Party under Emergency conditions when power supply to the Party's Firm Commitments is threatened or curtailed as referenced in Southwest Reserve Sharing Group (SRSR) Participant Agreement
- (3) Spinning Reserve: The amount of unloaded generating capacity maintained to meet peak loads.
- (4) Demand Charges: Valencia and Delta demand charge costs are recovered through base rate and are not included in base fuel rate or FPPCAC
- (5) Purchase Power-Financial: Financially settled power purchase-hedge transactions
- (6) Purchase Power-Physical: Physically settled power purchase-hedge transactions
- (7) Purchase Power-Energy Buy Back: Power purchase from cogeneration and small power production facilities under Rate No. 12

PUBLIC SERVICE COMPANY OF NEW MEXICO

Allocations-July 2013

	Total	PNM Electric Retail	(MWh)	(%)		
Total Load and Losses	9,390,287	9,390,287				
1 Retail Load-PNM	714,009					
2 FERC						
Total Load and Losses	10,104,296	9,390,287		92.93%	From Rate Case No. 10-00086-UT- Annual	
4						
5 Other Purchases Allocator						
6 Generation		880,622			From Plant Worksheet	
7 Long-Term Purchases		46,709			From Purchase Worksheet	
8 Allocated Resources		927,331				
9 Less: NMPRC Load and Losses		(915,064)				
10 Net Resources		12,267			Allocated Resources less load and losses	
11						
12 Other Purchases Requirement						
13						
Resource Allocators						
14 San Juan		92.93%			Energy Allocator-NMPRC/FERC	
15 Four Corners		92.93%			Energy Allocator-NMPRC/FERC	
16 Palo Verde		61.95%			2/3 multiplied by Energy Allocator-NMPRC/FERC	
17 Afton		92.93%			Energy Allocator-NMPRC/FERC	
18 Valencia		92.93%			Energy Allocator-NMPRC/FERC	
19 Reeves		92.93%			Energy Allocator-NMPRC/FERC	
20 Las Vegas		92.93%			Energy Allocator-NMPRC/FERC	
21 Luna		92.93%			Energy Allocator-NMPRC/FERC	
22 Lordsburg		92.93%			Energy Allocator-NMPRC/FERC	
23 SPS 150		92.93%			Energy Allocator-NMPRC/FERC	
24 Tri-State 50		92.93%			Energy Allocator-NMPRC/FERC	
25 Delta		92.93%			Energy Allocator-NMPRC/FERC	
26 SRSO Emergency Purchases		92.93%			Energy Allocator-NMPRC/FERC/TNMP-NM	
27 Hedging		100.00%			Financial and Physical Sales and Purchases	
28 Load Side		92.93%			Energy Allocator-NMPRC/FERC	
29 Solar		100.00%			Energy Allocator-NMPRC	
30 NIMWEC (Wind)		100.00%			Energy Allocator-NMPRC	
31						

Wind Allocator		
Total Wind Energy (MWhs)	28,495	
Sky Blue Energy (MWhs)	(1,575)	
Wholesale Sales Related Energy (MWh)	(1,955)	
Total NMPRC Energy	24,965	
NMPRC Share (%)	87.61%	

Off-System Sales Allocator Resources		
Generation	1,045,531	NMPRC (MWh)
SRSO/Hazard Sharing	200	186
Purchases	112,006	46,523
Total Resources	1,157,738	927,331

Total Load and Losses		
Retail Load and Losses	915,064	915,064
FERC Firm Load and Losses (2)	58,173	
Total Off-System Sales	182,883	
Other		
Total Uses	1,156,120	915,064
Excess(Deficit)	1,618	12,267

PUBLIC SERVICE COMPANY OF NEW MEXICO

Off System Sales-July 2013

No.	Description	Demand Revenue (\$)	Energy Revenue (\$)	Total Revenue (\$)	Energy (MWh)	Share (%)	PNM Electric Retail Revenue (\$)	Energy (MWh)	Form I Reference
1	Firm/Capacity Off-System Sales								
2	SRSO Emergency	-	2,592	2,592	65	92.93%	2,409	60	4. a)
3	SUBTOTAL 4a).		2,592	2,592	65		2,409	60	
4	Spinning Reserves	-	-	-	110	0.00%	-	-	4. a)
5	Other Sales Credit (1)	-	724,879	724,879	-	-	586,977	-	
6	Economy Sales - Financial (2)	-	26,188	26,188	-	100.00%	26,188	-	
7	Economy Sales - Physical (3)	-	463,348	463,348	16,400	100.00%	463,348	16,400	
8	Economy Sales	-	6,173,730	6,173,730	166,483	-	1,329,832	43,335	
9	Total Economy Sales		7,388,145	7,388,145	182,883		2,406,345	59,735	4. c)
10	Total Off-System Sales		7,390,738	7,390,738	183,058		2,408,754	59,795	4. e)

(1) Fuel Expense Credit for SPS Conditional Firm contract, Tier 1, and Afton additional generation sales credit from EPEC

(2) Sales Power-Financial: Financially settled power sales-hedge transactions

(3) Sales Power-Physical: Physically settled power sales-hedge transactions

PUBLIC SERVICE COMPANY OF NEW MEXICO

PNM Electric Retail Revenue Detail

by Base Fuel Rate-July 2013

No.	Voltage Class	Billed kWhs	Rate: Cents/kWh	Billed Amounts
1	Secondary Voltage	628,355,361.63	\$0.0213613	\$13,422,487
2	Primary Voltage	146,117,505.51	\$0.0211620	\$3,092,139
3	Substation Voltage	50,255,886.00	\$0.0208821	\$1,049,448
4	Subtransmission Voltage	6,415,080.00	\$0.0207723	\$133,256
5	Transmission Voltage	10,091,927.00	\$0.0207319	\$209,225
6	Total Fuel Clause			\$3,527,797
7	Total	<u>841,235,760</u>		<u>\$21,434,353</u>
8				
9	Sky Blue II Solar (1)			(\$4,270)
10	Total Revenue	<u>841,235,760</u>		<u>\$21,430,083</u>
11				
12	Form I Reference	Line 6)		Line 7)

(1) Sky Blue II solar credit

PUBLIC SERVICE COMPANY OF NEW MEXICO

PNM Electric Retail Energy Reconciliation-July 2013

No.	Sources	MWhs
1	Generation	880,622 Page 2
2	Long-Term Purchases	46,523 Page 3
3	Other Purchased Power	47,467 Page 3
4	SMSG Emergency Received	186 Page 3
5	Total Sources	974,798
6		
7	Uses	
8	Load	841,236 Page 1
9	Losses & Unbilled	73,767 Not specifically identified
10	SMSG Emergency Delivered	60 Page 5
11	Total Load (Including Losses)	915,063
12	Economy Sales	59,735 Page 5
13	Total Uses	974,798
14		
15	Difference	(0)

PUBLIC SERVICE COMPANY OF NEW MEXICO
Reconciliation of the FPPCAC Balance as of July 2013

No.	Balance filed from Prior Month		59,765,422	Form I - Line 9a
1	Prior Month changes (1)		25,648	Form I - Line 9c
2	Subtotal Revised Balance From Prior Month		<u>59,791,070</u>	
3	Interest (Income) / Expense on the balance		27,160	Form I - Line 9a
4	July 2013 FPPCAC filing		1,016,194	Form I - Line 8
5	FPPCAP (Over)/Under Collected Balance as of July 2013		<u>60,834,424</u>	
6				

(1) Estimates are made during the close of the month and are traced-up at the end of the month

PUBLIC SERVICE COMPANY OF NEW MEXICO
Reconciliation of the Forward Transactions Summary as of July 2013

No.	A	B	C	D	E	F	Reference
1							
2	Carry Forward from Prior Month						
3	Natural Gas Transactions-MMBtu						
4		3.770	(155,000)	3,557,958	(13,692,645)	17,562,173	1.b.1) Page 2
5							1.b.1) Page 2
6		3.584	(387,400)		(\$1,388,437)		Page 10
7							Page 10
8				(\$38,750)	(\$1,388,437)	\$0	Page 2/3
9	Off-System Sales/(Purchases) Transactions MWhs						
10							
10.1				\$0			3. c1) Page 3
11	29.800	28.203	16,400	\$26,188			3. c1) Page 3
11.1							4. c2) Page 5
12							4. c2) Page 5
12.1							3. c2) Page 3
13	28.25		16,400			\$463,348	3. c2) Page 3
13.1							4. c3) Page 5
14				\$26,188	\$0	\$463,348	4. c3) Page 5
15							
16	Spark-Spread Transactions						
17	Natural Gas-MMBtu:						
18							1.b.1) Page 2
19							1.b.1) Page 2
20							Page 10
21							Page 2/3
22	Power-MWh:						
23							3. c1) Page 3
24							4. c2) Page 5
25							3. c2) Page 3
26							4. c3) Page 5
27				\$0	\$0	\$0	
28							
29				(\$12,562)	(\$1,388,437)	\$463,348	
30							
31	Cumulative Financial Hedges Gain/(Loss) as of Current Month (1)						
32	Cumulative Revenues/(Costs) of Physical Sales/(Purchases) as of Current Month (1)						
				3,545,296	(15,081,082)	18,025,521	

Footnotes:

- (1) Cumulative Balance since May 2010
- (2) Gain/(Loss)-Financial is calculated as follows: (A-B)*C
- (3) Current Month Detail Calculation on Page 10

PUBLIC SERVICE COMPANY OF NEW MEXICO
Physical Purchases of Hedged Gas For July 2013

No.	Description	MMBtus 92.93%	Plant Luna Generation \$	Price	Reference
1	Percent Allocation		92.93%		
2	PNM Hedged MMBtus-Must Take	154,900	563,449	3.64	Page 9, line 20
3	Other Hedged MMBtus				
4	Market Purchases (Burned MMBTU)	76,372	297,235	3.89	
5	Total MMBtus Purchased	231,272	860,684	3.72	
6	Variable Transportation Costs		(23,395)		
7	Total Plant Cost	231,272	837,288	3.62	Page 2
8					
9	PNM Electric Share Gas Purchase Allocation	214,921	799,833		
10	PNM Electric Share Gas Var. Transportation Allocation		(21,741)		
11	PNM Electric Retail Share Allocation		778,092		Page 2
12					
13					
14	PNM Hedged MMBtus-Must Take	154,900	563,449	3.64	
15	Market Purchases	60,021	233,597.89	3.89	
16	PNM Electric Share Gas Var. Transportation Allocation		(21,741)		
17	Total PNM Electric Retail Calculation	214,921	775,306	3.61	
18					Page 2
19	Physical Hedge Increase/(Decrease) (1)		<u>(2,766.37)</u>		
20	(1) Calculation line 17 less line 12 dollars				

No.	Description	MMBtus 92.93%	Plant Alton Generation \$	Price	Reference
25	Percent Allocation		92.93%		
26	PNM Hedged MMBtus-Must Take	232,500	824,988	3.55	
27	Other Hedged MMBtus				
28	Market Purchases (Burned MMBTU)	677,558	2,602,422	3.84	
29	Total MMBtus Purchased	910,058	3,427,410	3.77	
30	Variable Transportation Costs		23,274		
31	Total Plant Cost	910,058	3,450,684	3.79	Page 2
32					
33	PNM Electric Share Gas Purchase Allocation	845,717	3,185,092		
34	PNM Electric Share Gas Var. Transportation Allocation		21,628		
35	PNM Electric Retail Share Allocation		3,206,720		Page 2
36					
37					
38	PNM Hedged MMBtus-Must Take	232,500	824,988	3.55	
39	Other Hedged MMBtus				
40	Market Purchases	613,217	2,355,295	3.84	
41	PNM Electric Share Gas Var. Transportation Allocation		21,628		
42	Total PNM Electric Retail Calculation	845,717	3,201,911	3.79	
43					Page 2
44	Physical Hedge Increase/(Decrease) (1)		<u>(4,808.84)</u>		
45	(1) Calculation line 43 less line 37 dollars				

Description	MMBtus	Price	Reference
Gas Purchases for Plant Use			
Off-System Sale of Gas			
Gain/(Loss) on Gas Sale			Page 2

Market Purchases - Used Burned MMBTU if booked Imbalance if didn't book Imbalance then use Purchased MMBTU