TENTH REVISED RATE NO. 24 CANCELLING NINTH REVISED RATE NO. 24

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CURTAILABLE POWER SERVICE COGENERATION AND SMALL POWER PRODUCTION FACILITIES

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APPLICABILITY:

This rate schedule is applicable to qualifying facilities that qualify as small power production and X cogeneration facilities as defined in 18 CFR, Part 292, Subpart B, of the final rules issued by the Federal Energy Regulatory Commission to implement Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978.

DEFINITION -- CURTAILABLE POWER:

Curtailable power means electric energy and/or capacity supplied by the Company subject to curtailment by the Company under specified conditions.

TERRITORY:

Areas served by the Company in Dona Ana, Luna, Otero and Sierra Counties.

CURTAILABLE POWER SERVICE RATE:

The Curtailable Power Service Rate for all Customers with gualifying facilities shall be the retail rate schedule currently in effect and that would be applicable to the Customer in the absence of Х its qualifying generation.

MONTHLY RESERVATION FEE:

A monthly reservation fee will be charged in the months that backup power is not utilized by the qualifying facility. The reservation fee will be the retail rate schedule currently in effect and that Х would be applicable to the Customer in the absence of its qualifying generation times ten Х percent of the monthly contracted capacity demand.

DELIVERY SERVICE CHARGE:

A delivery service charge will be billed to the Customer during the months that neither maintenance power service nor backup power service is utilized by the qualifying facility. The Х delivery service charge shall be: Х

| Secondary Voltage Delivery Service Charge | \$5.88 per kW of contract capacity ** |) X [|
|---|---------------------------------------|-------|
| Primary Voltage Delivery Service Charge | \$4.75 per kW of contract capacity ** |] X |

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Nathan T. Hirschi **Senior Vice President - CFO**

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** Minus any Delivery Service Charges applied pursuant to the provisions of Rate Schedule Х No. 22, Backup Power Service or Rate Schedule No. 23, Maintenance Power Service, but Х Х not less than zero (0).

COMMON PROVISIONS:

Interconnection Charge:

Customers in this rate schedule shall be subject to a charge for interconnection costs.

Interconnection costs are the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, engineering, and administrative costs incurred by the Company related to the installation of the physical facilities necessary to permit interconnected operations with a qualifying facility, to the extent such costs are in excess of the costs that the Company would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy or capacity itself or purchased an equivalent amount of electric energy or capacity from other sources.

In conformance with 17.9.570 NMAC, the Company shall provide a detailed estimate of the cost X of interconnection within thirty (30) days of receipt of written application for interconnection. The Customer shall pay the full amount of the estimated interconnection costs at the time notice to interconnect is provided to the Company. Upon completion of the interconnection, the actual costs shall be computed and reimbursements to the appropriate party shall be made for any differences between the actual and estimated cost of interconnection. In addition, Customers with a design capacity greater than 100 kW shall pay an annual charge of 4.6851 percent of the capital costs of interconnection to provide for the recovery of property taxes, revenue related Х taxes, depreciation expense, and operation and maintenance expenses. The annual charge of 4.6851 percent is payable by the Customer in monthly installments at the rate of one-twelfth Х (1/12) of the annual charge per month.

FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE (FPPCAC):

All service taken under this rate schedule is subject to the provisions of the Company's tariff Х Rate No. 18, entitled Fuel and Purchased Power Cost Adjustment Clause (FPPCAC). Х

TERMS OF PAYMENT:

Х All bills under this rate schedule are due and payable when rendered and become delinquent

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| twenty (20) calendar days thereafter. If the twentieth day falls on a holiday or weekend, the | Х |
|---|---|
| next Company business day will apply. | Х |

TERMS AND CONDITIONS:

Service supplied under this rate schedule is subject to the Company's Rules and Regulations Х on file with the New Mexico Public Regulation Commission and available for inspection at Х Company offices. The provisions of any contract associated with service under this rate Х Х schedule are also applicable.

This rate schedule shall be binding upon the Company and the Customer for a period Х coterminous with the interconnection agreement; provided, however, that the Customer may terminate service provided under this rate schedule at any time during such term by providing Х the Company with written notice at least one (1) year prior to the effective date of such termination and the Company may terminate in accordance with regulatory regulations.

Any change in this rate schedule approved by a regulatory authority with the requisite jurisdiction, shall become effective upon such approval and remain in force until the expiration of the term of this rate schedule or the termination by Customer in accordance with the requirements herein contained, whichever event occurs first in time. The service supplied hereunder is to be used exclusively within the premises of the Customer, as defined in his application for service.

Curtailable power service is provided to the Customer with the explicit knowledge and understanding that such service shall be subject to curtailment by the Customer with notice from the Company. Failure to comply with the Company's request to curtail shall result in the following adjustments to Customer billings and service:

- (1) during a calendar year, the first occasion in which the Customer fails to comply with a request for curtailment shall result in the Customer being billed for the entire month at the retail rate schedule currently in effect and applicable to the Customer absent its qualifying Х facility generation; and
- (2) during the calendar year, the second occasion in which the Customer fails to comply with a request for curtailment shall result in the Customer being billed or re-billed for each month of Х the current calendar year through the second non-compliance month at the retail rate Х schedule currently in effect and applicable to the Customer absent its qualifying facility Х generation; and



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(3) during the calendar year, the third occasion in which the Customer fails to comply with a request for curtailment shall result in the Customer being billed or re-billed for each month of Х Х the current calendar year through the third non-compliance month at the retail rate schedule currently in effect and applicable to the Customer absent its qualifying facility generation, Х and the Customer shall for a period of not less than one (1) year be served and billed under Х Х the otherwise applicable standard retail rate schedule.

If it is determined at any time by the Company that the Customer has not acted appropriately to Х maintain compliance with the provisions of this rate schedule, then the Customer will be Х X immediately billed on the standard rate schedule for firm power for the period since service was х first commenced under this rate schedule.



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