



PNM 2024 Rate Change Frequently Asked Questions

1. What is the bill impact of the 2024 Rate Change?

We project the monthly increase for the average residential customer to be about 75 cents after you consider all factors including fuel savings from implementation of renewable resources. This is a 0.9% and includes six years of past and future investments making your power more reliable and it even easier to work with PNM.

2. What is included in the 2024 Rate Change?

As has historically been the case, the upcoming 2024 Rate Change filing asks the PRC to look at the annual amount it takes to run the utility. This means all investments and savings are considered in total, instead of a piecemeal approach. As is standard practice, it reflects both the substantial investments PNM has made in its system since 2018 and the savings realized from the closing of the San Juan Generating Station. This is the first requested base rate filing since 2016. PNM chose not to seek rate increases in 2020 and 2021, holding off because of the impact Covid was having on its customers. If approved, the increase will not go into effect until 2024.

The 2024 Rate Change includes \$2.6 billion of past and future investments to support the grid and ensure reliability. This includes critical upgrades and rebuilds of aging equipment necessary to maintain and enhance reliability and take steps toward sustainable energy. The plan includes enhanced customer service leading to faster response times to customer inquiries and shifting customer payment transaction fees to base rates so that customers no longer have to directly pay a \$2 transaction fee when paying their bill with a debit or credit card and the \$1 transaction fee for customers paying at a Western Union walk-in location.

3. When will new rates go into effect?

If approved, this proposed increase is more than a year away. Rates would not change until approximately January 2024.

4. Why is PNM filing for a rate increase?

This is PNM's first requested increase in base rates since 2016. While inflation raised as did cost of goods in the last six years, PNM chose not to seek rate increases in 2020 and 2021 because of the impact of COVID-19.

5. Why does PNM have to file with the New Mexico Public Regulation Commission for approval of a rate increase?

As a regulated entity, PNM is required to obtain approval from the New Mexico Public Regulation Commission for any bill changes.



PNM 2024 Rate Change Frequently Asked Questions

6. How is PNM helping customers who are struggling to pay their bills?

We know many families are struggling financially and PNM will continue to help those most in need with a variety of assistance programs:

The PNM Good Neighbor Fund: We can pay some, or even all, of a customer's past-due PNM bill if they are facing a financial emergency. It's funded by generous customers, PNM employees and shareholders.

PNM offers home weatherization assistance and a home energy check-up to help reduce your energy use.

We offer flexible payment plans, budget billing and other payment options.

For more information about assistance programs go to [PNM.com/BillHelp](https://www.pnm.com/BillHelp).

7. How can I reduce my bill today?

We want to equip all our customers with tips and tools to help to reduce their electric bills. By taking steps now you can reduce your bill much more than the slight increase the average residential will face in 2024.

- Adjust your thermostat in the summertime and save two to four percent on electricity for every degree higher the thermostat is set. By turning your thermostat down two degrees in the winter, you can save two to four percent on electricity!
- Request a **free PNM Home Energy Checkup** which will help you determine how to save energy in your home and therefore reduce your bill.
- **Unplug Devices.** Don't waste your money on electronics and appliances that you don't use every day. Turn off and unplug unused televisions, computers, phone chargers, coffee makers and other devices.
- **Small Changes Lead to Big Results.** The average residential customer can save about \$6 per month by installing energy efficient lighting throughout your home.
- Take advantage of the PNM instant discounts on lighting and many other energy efficient devices for your home.
- Visit the PNM Smart Shop for energy-efficient equipment.
- Learn more at [CheckWithPNM.com](https://www.pnm.com/CheckWithPNM)

8. How does transitioning to carbon-free electricity keep rates affordable?

The carbon-free energy transition is keeping rates affordable. The savings from exiting the San Juan Generation coal-plant is significantly offsetting the investments PNM has made to ensure customers power remains reliable. This is due in large part to the savings from leaving behind coal as a primary fuel at the San Juan coal-plant. That savings is being passed on to you in this filing. PNM currently serves its customers with 55% carbon-free generation.



PNM 2024 Rate Change Frequently Asked Questions

9. When will customers start seeing savings from the closure of the San Juan coal plant?

The savings from the San Juan coal plant closure are reflected in the 2024 Rate Change filing, as is standard practice. And, in fact, in an effort to alleviate additional pressures on customers during the COVID-19 pandemic, for the last four years PNM has forgone any recoupment of investments the company has made to grid reliability.

10. Why does the customer notice say a 9.7 increase yet PNM says a less than 1% increase?

The 9.7% reflects a customer notice requirement that calculates how the base rate request impacts one component of a customer bill and does not account for other factors such as fuel savings. That number in the filing is a 9.7% increase for all residential customers as a class. This number applies to one part of your bill – the base rate. It does not include other line items on your bill, including what customers save from PNM no longer using coal as a fuel source at the San Juan coal plant. When calculating all factors including fuel savings from implementation of renewable resources, the average residential customer will see a 0.9% increase, only 75 cents per month.

11. When did PNM last file for a rate increase and how much was approved?

PNM filed for a Rate Change in 2016 where a less than 2% increase was approved, spread over 2018 and 2019.

12. What are included in energy bills?

Energy bills are composed of two parts: base rates and riders or direct pass throughs

- ◆ Riders/Direct Pass Throughs are costs and or savings that are often changing and are passed directly through to customers as an increase or decrease (i.e., a fuel clause).
- ◆ Base Rate is set by the New Mexico Public Regulation Commission. Setting of these rates reflects both investments that PNM has put into the system and savings or increases (i.e. from depreciation, retired assets, changes in costs to provide electricity).