

## **M-S-R Public Power Agency**

SPECIAL MEETING OF THE COMMISSION  
Wednesday, July 17, 2019, 12:00 Noon

Navigant Consulting, Inc.  
35 Iron Point Circle, Suite 225  
Folsom, CA 95630

### **AGENDA**

Any member of the public who desires to address the Commission on any item considered by the Commission at this meeting before or during the Commission's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so.

1. Call to Order
2. Roll Call
3. July 2019 General Manager Report (attached, Martin Hopper)
4. July 2019 Outside Services Budget Versus Actual Report and Mid-Year Budget and Goals Review (attached, Martin Hopper)
5. Public Comment
6. ***Confirm date and time of next meeting***
7. Adjourn

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.

## **M-S-R Public Power Agency Staff Report**

**Date:** July 9, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** July 2019 General Manager Report

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### **Overview:**

This report will provide an overview of the General Manager's major activities and those of specified Agency contractors and consultants. Based on feedback from Commissioners and interested parties, the format and content of these reports will evolve.

### **General Manager:**

#### Administrative Activities – June 2019 (Approx. 36 hours)

The General Manager reviewed and approved Check Requests prepared by the Administrative Assistant and updated Budget v. Actuals Reports.

Issued February Commission minutes.

Reviewed CRs and updated Budget v. Actuals tracking.

Reviewed annual Agency insurance renewal proposals and discuss same w/ General Counsel and Turner (MID.)

The General Manger also provided direction to consultants and counsel re emergent filings and regulatory matters. Reports on reclamation issues, decommissioning activities, and project status were requested and prepared.

The General Manager also attended one-week intensive Organization Development short-course – no charge or allocation to Agency.

#### Project Activities:

##### San Juan – June 2019 (Approx 34 hours):

Reviewed further draft Decommissioning report updates by Burns and McDonnell and presentation of findings and recommendations. Prepared analyses, comments and questions thereon and coordinated with other participants. Attended

telephonic meeting of Decommissioning Committee to receive report and provide feedback. Enquired re status of PNM's abandonment filing and status of new mine reclamation proposal.

Prepared White Paper regarding options for allocation of costs of SJGS Continuing Coverage liability and environmental liability insurance.

The General Manager reviewed extensive filings and teleconferences regarding PNM and San Juan Project abandonment matters.

Big Horn – June 2019 (Approx 32 hours):

Review documents regarding BPA rates and reserve accounting errors and impacts. Teleconfs w/ Scanlon re same and provide direction thereon.

Consolidate mark-ups of proposed amendments to Big Horn agreements and correspond with Avangrid re same. Attend negotiation mtg w/ Avangrid and reach agreement on majority of mark-ups.

Meetings – June 2019

Avangrid Renewables, Portland, OR. June 12 – 13, 2019. Key issues: review draft amendments to Big Horn I & II Agreements to implement settlement of F&S and VERBS rate issues and elimination of lock-boxes.

**General Consultant:**

The General Consultant regularly prepares a summary of his activities as part of his monthly billing process. A copy of General Consultant's June 2019 report is attached regarding 32 hours of support.

**BPA Consultant:**

Our BPA Consultant, Dr. David Arthur, has prepared a report summarizing his key activities and issues covered in June 2019. A copy of his report regarding 15 hours of support is attached.

**Other Contractors and Counsel:**

FERC Counsel, BPA Counsel, and Regulatory Counsel status reports will be prepared at a similar level of detail to the General Consultant's Monthly summary and are under development for initial content.

## **M-S-R Public Power Agency Staff Report**

**Date:** July 1, 2019  
**From:** Alan Hockenson  
**To:** Martin Hopper  
**Subject:** Specific Work Tasks for June 2019

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During June, I spent time working on specific tasks on behalf of the M-S-R Public Power Agency (M-S-R PPA). These activities can be segregated into the categories of Generation, Renewable, and Administrative. There was no activity in the category of Transmission.

Generation (13 hours) – In late 2018, PNM contracted with Burns & McDonnell (B&M) to prepare a Cost Estimate for the alternatives to decommission the San Juan Generation Station (SJGS). The most recent draft Cost Estimate was reviewed as well as the Final Draft which attempted to reflect comments from the San Juan Generating Station (San Juan) Decommissioning Committee (SJDC). Comments on these drafts were summarized and provided to the General Manager for review. In addition, the SJDC had its monthly telephonic meeting on June 27, 2019. Little decommissioning work was performed in June but work on multiple work items are scheduled for July.

A brief weekly monitoring of PNM's public activities was undertaken to assure PNM is still willing and capable of performing its duties as the San Juan Decommissioning Agent and living up to its obligations under the Trust Agreements for both Decommissioning and Reclamation.

Renewable (18 hours) – Monthly operating data was received from Avangrid Renewables, Inc. (AR) was reviewed and curtailment details were confirmed.

I received copies of documents from Special Counsel which were briefly reviewed to assure I am familiar with the issues of importance to M-S-R PPA. These documents pertain to the weekly issuances of the Federal Energy Regulatory Commission (FERC), including the April operational report by the California Independent System Operator (CAISO) regarding the compliance of the Balancing Authority of Northern California (BANC) to its participation in the Energy Imbalance Market (EIM).

The WECC is the key forum for utility discussions and policy determinations in the Western Interconnection. Policies that emanate from the WECC can affect transmission providers and balancing authorities in how business is transacted. The weekly summaries of activities and meetings issued by the WECC were briefly reviewed.

The final notice regarding the sunset of the Enhanced Curtailment Calculator Task Force (ECCTF) was received. Any similar future initiative will be led by Dede Subakti of the CAISO.

The Northern Tier Transmission Group (NTTG) issued its quarterly update which announced a new transmission request from “Joint Users” (including the Utah Association of Municipal Power Systems, UAMPS) to add transmission to support delivery of Wyoming wind energy to utilities reducing their reliance on coal power.

Administrative (1 hour) – The Quarterly Status Reports were updated to reflect May activities.

All meetings were attended telephonically.

**Date:** July 8, 2019  
**From:** David Arthur  
**To:** Martin Hopper  
**Subject: June Update to BPA Tasks: Total 15 hours**

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June started as a relatively routine month and culminated with the much-anticipated BPA EIM Letter to the Region.

In mid-June BPA held its monthly EIM stakeholder meeting which was closely followed by the monthly update to the TC-20 rate settlement. I participated in both meetings by phone.

The EIM meeting addressed questions and updated details regarding the previously discussed cost-benefit study. It also previewed the forthcoming EIM Letter to the Region.

The TC-20 update continued the discussion regarding the measurement of ATC (Available Transmission Capacity) and discussed different time frames for its updates.

Stakeholders continued to express concerns regarding the criteria to be used for evaluating the efficacy of hourly firm transmission.

**EIM Letter to the Region:**

The major item for June was BPA's release of its EIM Letter to the Region (The Letter). The Letter was a 100-page+ document that detailed BPA's perception of industry changes, regional opportunities, costs/benefits of EIM, legal issues, and various other considerations.

The Letter was quite comprehensive and indicated BPA's current intention (subject to stakeholder comments) to allocate funds with the intent to join the CAISO EIM in 2022. Throughout the letter BPA emphasized that whether or not it joined the EIM was voluntary and BPA could be change or modify its participation at any time should circumstances change.

The Letter did not address the allocation of cost/benefits between stakeholders, which will be addressed in the BP-22 and TC-22 rate cases. For M-S-R this is a substantive issue that ideally would be addressed on a preliminary level in a more contemporaneous manner. (The concern is that BPA will shift costs to TBL from PBL.)

With respect to TBL, The Letter indicated that participation in the EIM should provide significant qualitative benefits in the form of congestion relief, better “visibility”, and hopefully avoided transmission builds. The commercial benefits in the form of future net revenues likely will be energy related. The costs in the form of new software and additional labor requirements will be monetary and may or may not be netted against the additional revenues. (The concern is some portion of additional costs will be allocated to TBL without any offsetting allocation of the new EIM net revenues, thus putting rate pressure on TBL customers.)

BPA persistently emphasized that it could opt out at any time. Contractually this may be accurate. However, given the assumed benefits (reduced congestion and avoided builds) it is unclear whether future withdrawal from the CAISO EIM will remain a practical option. Once in, it may be more difficult for BPA to subsequently withdraw than BPA has represented.

M-S-R’s BPA attorney and I are drafting comments on The Letter, which are due in late July.

## **M-S-R Public Power Agency Staff Report**

**Date:** July 10, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** July 2019 Outside Services Budget versus Actual Report and Mid-Year Budget and Goals Review

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### **FISCAL YEAR 2019:**

#### Major Legal Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	April 30, 2019
Law Offices of Susie Berlin:	Through:	May 31, 2019
Porter Simon:	Through:	June 30, 2019

#### Major Consulting Providers Reporting Are:

Navigant Consulting:	Through:	February 28, 2019
KBT LLC:	Through:	May 31, 2018

#### Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	May 31, 2018
Reclamation:	Through:	June 30, 2018
Decommissioning:	Through:	May 31, 2018

Detailed charts of monthly budget versus actual cost comparisons for each provider are attached in their usual format.

### **Mid-Year Budget Review:**

Overall, the Agency's controllable expense categories are generally tracking the budget as discussed below. Historically, the Agency has not made budget transfers or changes within the same account or budget category in the absence of major emergent cost changes and particularly when such transfers would not significantly affect Member billings or cost allocations. The total of the consulting and legal budgets will remain unchanged at \$883,000. Various minor rebalancings of line items are described below

will be implemented administratively in accordance with the previously expressed consensus of the Commission.

***Outside Services:***

In aggregate, the outside services categories through June 30, 2019, or 50% of the year have expenditures estimated at \$375,000 or about 42% of their annual budgets and are estimated to complete the year at \$711,000 or about 81% of the annual budget of \$883,000 based on weighted projections of expected workloads.

The following table summarizes the budget status and allocations by function:

<b>Categories</b>	<b>Total Original Legal &amp; Consulting 2019 Budget</b>	<b>Budget Reallocations</b>	<b>Total Reallocated Legal &amp; Consulting 2019 Budget</b>	<b>Expected Legal &amp; Consulting 2019 Year-End</b>
Generation	45,000	-3,000	42,000	40,756
Generation - Other	1,000	13,000	14,000	12,920
Renewables	151,000	-	151,000	111,946
Renewables - Other	370,000	-10,000	360,000	278,305
Regulatory & Compliance	256,000		256,000	236,875
Agency Admin & General	60,000	-	60,000	30,651
<b>Total</b>	<b>883,000</b>	<b>-</b>	<b>883,000</b>	<b>711,453</b>

The following table summarizes the budget status and allocations by provider:

<b>Provider</b>	<b>Total Original 2019 Budget</b>	<b>Budget Reallocations</b>	<b>Total Reallocated 2019 Budget</b>	<b>Expected 2019 Year-End</b>
Duncan Weinberg	480,000	-30,000	450,000	390,039
C. Susie Berlin	90,000	10,000	100,000	87,687
Misc Counsel	1,000	13,000	14,000	12,920
Porter Simon	54,000	-3,000	51,000	29,332
Navigant Consulting	40,000	-	40,000	3,601
KBT Energy	180,000	10,000	190,000	160,459
Misc Consultants	38,000	-	38,000	27,415
<b>Total</b>	<b>883,000</b>	<b>-</b>	<b>883,000</b>	<b>711,453</b>

The main factors driving the adjustments were as follows:

- Duncan Weinberg – Reduction in general FERC support related to phase out of participation in TRR rate dockets.
- C. Susie Berlin – Substantial efforts in support of CARB reporting regulations and CPUC wildfire safety reviews.
- Porter Simon – Reduction in level of San Juan activities and administrative and general support and increase for review of Big Horn agreement amendments.
- KBT Energy – Greater support required regarding review and analysis of San Juan Decommissioning Report drafts prepared by PNM.
- Virtue & Najjar (Misc Counsel) – New Mexico counsel support of intervention in PNM’s San Juan Abandonment filing.

As the budget total is unchanged, no budgetary revisions will be made and any necessary adjustments to invoices will be handled through the annual true-up. Monthly Budget v. Actual reporting will track the line item adjustments noted above.

***Legacy Liabilities:***

Legacy Liabilities are funded from reserves and trusts and as such, do not directly affect the Agency’s Budget. However, this report provides an opportunity to report on the status of such.

The following table summarizes funding status, expected activity and period-ending balances required and attained:

	<b>Reclamation Trust</b>	<b>Decommissioning Trust</b>
Beginning Balance	\$17,959,949	\$2,234,516
2019 Deposits	\$0	\$0
Expenditures Through June 30, 2019	\$207,086	\$55,883
Estimated Income Through June 30, 2019	\$83,127	\$22,988
Estimated Trust Balance June 30, 2019	\$17,835,990	\$2,201,622
Remaining Expected Expenditures Through Period	\$236,819	\$12,882
Expected Income Through Period	\$151,119	\$143,764
Expected Periodic Balance	\$17,750,290	\$2,332,504
Required Periodic Balance	\$17,797,203	\$2,280,000
Surplus/Deficit Balance	-\$49,913	\$52,504
Period Ending Date	December 31, 2019	December 31, 2022

Although the above summary shows the Reclamation Trust having a deficit position and the Decommissioning Trust having a surplus position at the end of their periodic cycles, it does not show the effect of unrealized investment valuation adjustments or future reclamation or decommissioning re-evaluations which also may require additional deposits. This table also does not reflect the costs of the Reclamation Operating Agent (PNM) which are expected to total about \$49,000 or continuing coverage insurance costs of about \$74,000 in the current year and that are funded from the Agency's reserves.

This Mid-Year Budget review of 2019 M-S-R PPA Budget was reviewed by the Technical Committee at its July 11, 2019 meeting.

***Mid-Year Goals Review:***

Attached to this report is the General Manger's Mid-Year Goals review that also includes hourly work estimates for specific General Manager and General Consultant activities.

**Recommendation:**

I recommend the Commission note and file this report.

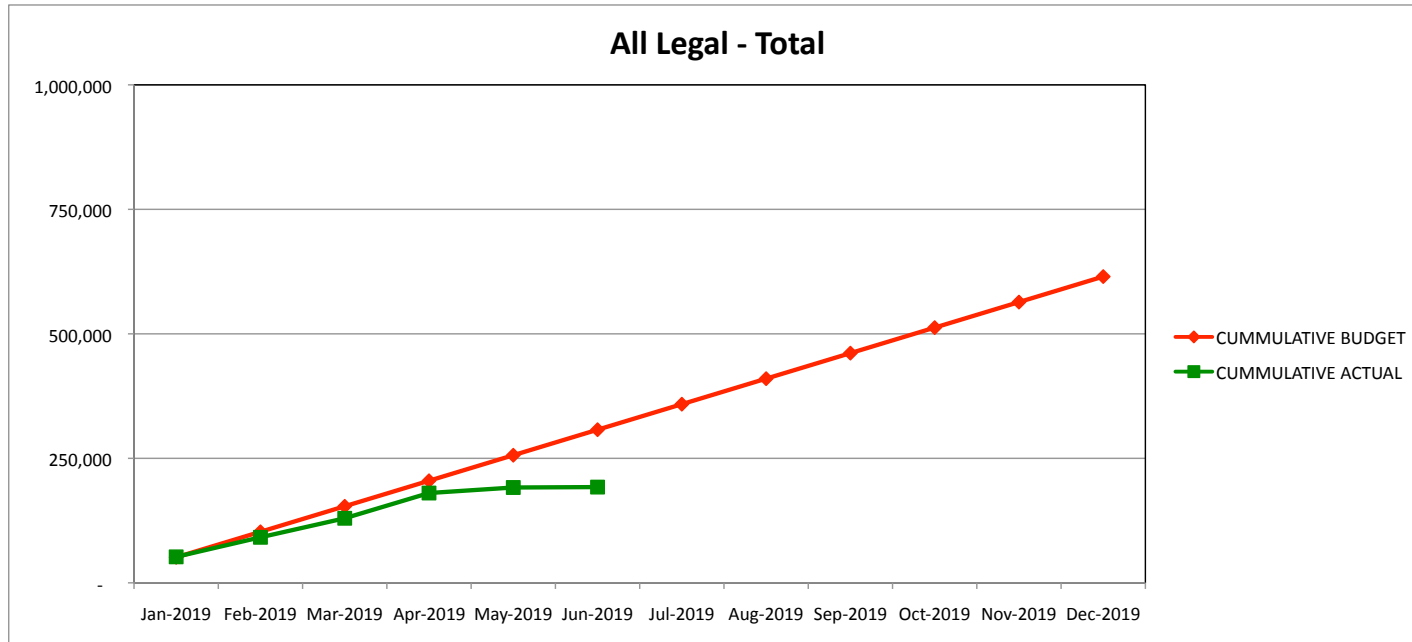


Consultant Costs - 2019	2019 Budget	Revised Budget	Task Orders	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Total	Average	Year-End Projection	Notes
				8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
<b>Navigant</b>																			
<b>Generation</b>																			
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Administrative</b>	5,000	5,000	-	900.90	-	-	-	450	-	900	-	450	-	900	-	3,601	300	3,601	
	40,000	40,000	-	900.90	-	-	-	450	-	900	-	450	-	900	-	3,601	300	3,601	9%
				0.00%	2.25%	2.25%	2.25%	3.38%	3.38%	5.63%	5.63%	6.75%	6.75%	9.00%	9.00%				
<b>KBT</b>																			
<b>Generation</b>																			
General	20,000	30,000		3,180	3,392	2,544	4,452.00	2,756.00	2,756	1,696	1,696	1,696	1,696	1,696	1,696	29,256	2,438	29,256	
<b>Gen - Other</b>																			
SJGS Disposition				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																			
General	70,000	70,000		8,064	5,309	6,506	7,679.72	8,268.28	4,380	4,380	4,380	4,380	4,380	4,380	4,380	66,488	5,541	66,488	
<b>Rens - Other</b>																			
BP-20 Rate Case	70,000	70,000																	
KBT 2019-01			14,560	6,734	3,640											10,374	5,187	10,374	BP-18 Rate Case
KBT 2019-02			14,560			3,822	4,732.00									8,554	4,277	8,554	Jan - Feb
KBT 2019-03			14,560					3,094.00	4,000							7,094	3,547	7,094	Mar - Apr
KBT 2019-0x			14,560							4,000	4,000					8,000	4,000	8,000	May - Jun
KBT 2019-0x			14,560									4,000	4,000			8,000	4,000	8,000	Jul - Aug
KBT 2019-0x			14,560											4,000	4,000	8,000	4,000	8,000	Sep - Oct
Sum			87,360													8,000	4,000	8,000	Nov - Dec
																50,022		50,022	
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>	20,000	20,000		848	1,728	1,304	1,272.00	1,696.00	212	1,272	1,272	1,272	1,272	1,272	1,272	14,693	1,224	14,693	
	180,000	190,000	87,360	18,826	14,070	14,177	18,135.72	15,814.28	11,348	11,348	11,348	11,348.00	11,348.00	11,348	11,348	160,459	34,214	160,459	
				9.91%	17.31%	24.78%	34.32%	42.64%	48.62%	54.59%	60.56%	66.53%	72.51%	78.48%	84.45%	160,459		160,459	84%
<b>SUBTOTAL</b>	220,000	230,000		18,826	14,971	14,177	18,136	16,264	11,348	12,248	11,348	11,798	11,348	12,248	11,348	164,060	34,514	164,060	
				8.56%	15.36%	21.81%	30.05%	37.44%	42.60%	48.17%	53.33%	58.69%	63.85%	69.41%	74.57%				71%
<b>Outside Services</b>																			
<b>Generation</b>																			
<b>Renewables</b>																			
Ferguson Group	5,000	5,000																	
Politico Group	14,000	14,000		1,093	1,249	1,868	1,000	1,000.00	1,000	1,000	1,249	1,000	1,000	1,249	1,000	13,707	1,142	13,707	
<b>Rens - Other</b>																			
Ferguson Group	5,000	5,000																	
Politico Group	14,000	14,000		1,093	1,249	1,868	1,000	1,000.00	1,000	1,000	1,249	1,000	1,000	1,249	1,000	13,707	1,142	13,707	
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>																			
	38,000	38,000		2,185	2,498	3,737	2,000	2,000.00	2,000	2,000	2,498	2,000	2,000.00	2,498	2,000	27,415	2,285	27,415	
				5.75%	12.32%	22.16%	27.42%	32.68%	37.95%	43.21%	49.78%	55.04%	60.31%	66.88%	72.14%				72%
<b>GRAND TOTAL</b>	258,000	268,000		21,011	17,468	17,913	20,136	18,264	13,348	14,248	13,846	13,798	13,348	14,746	13,348	191,474	36,799	191,474	
				8.14%	14.91%	21.86%	29.66%	36.74%	41.92%	47.44%	52.80%	58.15%	63.33%	69.04%	74.21%				71%
	Original 2019 Budget	Revised 2019 Budget																	
G	20,000	30,000																	29,256
G - Other																			
R	114,000	114,000																	80,195
R - Other	70,000	70,000																	50,022
R&C	29,000	29,000																	13,707
A	25,000	25,000																	18,294
	258,000	268,000																	191,474
50/35/15	45,000	55,000																	47,550
Renew	184,000	184,000																	130,217

Legacy Liability Costs - 2019	M-S-R 2019 Budget	Revised or A.O.P	Jan-2019 8.33%	Feb-2019 16.67%	Mar-2019 25.00%	Apr-2019 33.33%	May-2019 41.67%	Jun-2019 50.00%	Jul-2019 58.33%	Aug-2019 66.67%	Sep-2019 75.00%	Oct-2019 83.33%	Nov-2019 91.67%	Dec-2019 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	49,000	49,000	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	49,000		
<b>Cummulative Budget</b>			4,083	8,167	12,250	16,333	20,417	24,500	28,583	32,667	36,750	40,833	44,917	49,000			
<b>Reclamation Trust</b>																	
<b>Funds Operating Agent</b>			993	1,366	1,229.53	(132)	148								3,604	721	8,651
<b>Cummulative Actual</b>	49,000	49,000	993	1,366	1,229.53	(132)	148	-	-	-	-	-	-	-	3,604	721	8,651
			2.03%	4.82%	7.32%	7.05%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%			18%
<b>SJCC - Reclamation - Budget</b>			42,985	48,053	30,691	30,576	94,172	24,772	30,971	25,348	24,401	45,771	24,804	26,456	449,000		
<b>Cummulative Budget</b>			42,985	91,038	121,729	152,305	246,477	271,248	302,219	327,568	351,969	397,740	422,544	449,000			
			41,886	88,711	118,617	148,411	240,176	264,314	294,493	319,194	342,971	387,572	411,742	437,522			
<b>LaPlata</b>	51,687	51,687	4,047	4,389	5,316	4,577	4,739	4,515.48	4,307	4,307	4,307	4,307	4,307	4,307	53,428	4,452	53,428
<b>San Juan - Surface</b>	397,313	397,313	30,778	25,417	11,485	50,681	28,789	81,277.92	26,663	21,041	20,094	41,464	20,497	22,148	380,335	31,695	380,335
<b>San Juan - Underground</b>			15,887	-	-	-	-	-	-	-	-	-	-	-	15,887	2,648	31,773
<b>Cummulative Actual</b>	449,000	449,000	50,712	29,806	16,801	55,258	33,528	85,793.40	30,971	25,348	24,401	45,771	24,804.34	26,456	449,650	38,795	465,536
			50,712	80,518	97,319	152,577	186,105	271,898	302,869	328,217	352,619	398,390	423,194	449,650			104%
			11.29%	17.93%	21.67%	33.98%	41.45%	60.56%	67.45%	73.10%	78.53%	88.73%	94.25%	100.14%			
<b>PNM - Decommissioning</b>	6,347	38,327	529	529	529	529	38,856	529	529	529	529	529	529	529	44,673		
<b>Cummulative Budget</b>			529	1,058	1,587	2,116	40,971	41,500	42,029	42,558	43,087	43,616	44,144	44,673			
<b>Initial Decommissioning</b>			297	6,225	(30.58)	-	24,772	10,237	529	529	529	529	529	529	44,673	3,723	44,673
<b>Cummulative Actual</b>	6,347	38,327	297	6,225	(30.58)	-	24,772	10,237	529	529	529	529	528.89	529	44,673	3,723	44,673
			297	6,522	6,491	6,491	31,263	41,500	42,029	42,558	43,087	43,616	44,144	44,673			
			0.78%	17.02%	16.94%	16.94%	81.57%	108.28%	109.66%	111.04%	112.42%	113.80%	115.18%	116.56%			116.56%
<b>Total Legacy Liability</b>		536,326	52,002	37,397	18,000	55,125	58,447	96,031	31,500	25,877	24,930	46,300	25,333	26,985	497,927	43,238	518,860
			52,002	89,399	107,399	162,525	220,972	317,003	348,502	374,380	399,310	445,609	470,943	497,927			
			9.70%	16.67%	20.03%	30.30%	41.20%	59.11%	64.98%	69.80%	74.45%	83.09%	87.81%	92.84%			97%
<b>Cummulative Budget</b>			47,597	100,262	135,565	170,753	307,864	337,248	372,831	402,792	431,805	482,188	511,605	542,673			
<b>Cummulative Actual</b>			52,002	89,399	107,399	162,525	220,972	317,003	348,502	374,380	399,310	445,609	470,943	497,927			

# M-S-R PPA All Legal Summary

Month of: **Jun-2019**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,000	242	758	24%
Gen - Other	1,167	556	610	48%
Renewables	3,083	22	3,061	1%
Rens - Other	24,167	0	24,167	0%
Reg & Comp	18,917	0	18,917	0%
Administrative	2,917	22	2,895	1%
<b>Total</b>	<b>51,250</b>	<b>842</b>	<b>50,408</b>	<b>2%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	6,000	5,500	500	92%
Gen - Other	7,000	2,176	4,824	31%
Renewables	18,500	6,751	11,749	36%
Rens - Other	145,000	76,283	68,717	53%
Reg & Comp	113,500	96,968	16,532	85%
Administrative	17,500	4,607	12,893	26%
<b>Total</b>	<b>307,500</b>	<b>192,285</b>	<b>115,215</b>	<b>63%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	37,500	0	37,500	0%
Berlin	8,333	0	8,333	0%
Porter Simon	4,250	286	3,964	7%
Others	1,167	556	610	48%
<b>Total</b>	<b>51,250</b>	<b>842</b>	<b>50,408</b>	<b>2%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	225,000	139,039	85,961	62%
Berlin	50,000	40,437	9,563	81%
Porter Simon	25,500	10,632	14,868	42%
Others	7,000	2,176	4,824	31%
<b>Total</b>	<b>307,500</b>	<b>192,285</b>	<b>115,215</b>	<b>63%</b>

# M-S-R PPA Duncan Summary

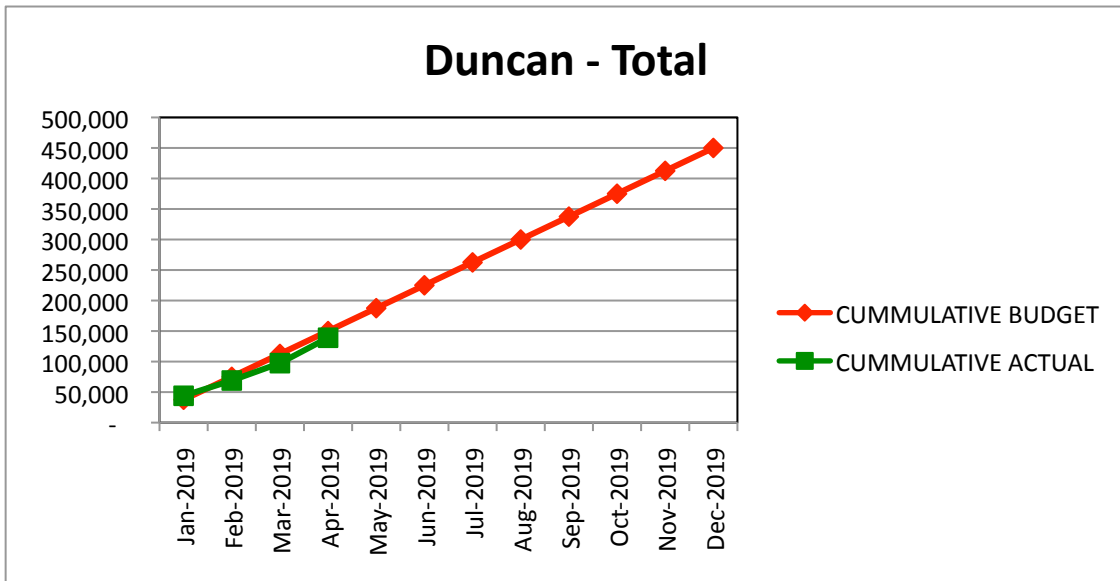
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	833	0	833	0%
Rens - Other	24,167	0	24,167	0%
Reg & Comp	12,500	0	12,500	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>37,500</b>	<b>0</b>	<b>37,500</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	5,000	0	5,000	0%
Rens - Other	145,000	76,283	68,717	53%
Reg & Comp	75,000	62,756	12,244	84%
Administrative	0	0	0	0%
<b>Total</b>	<b>225,000</b>	<b>139,039</b>	<b>85,961</b>	<b>62%</b>



# M-S-R PPA Berlin Summary

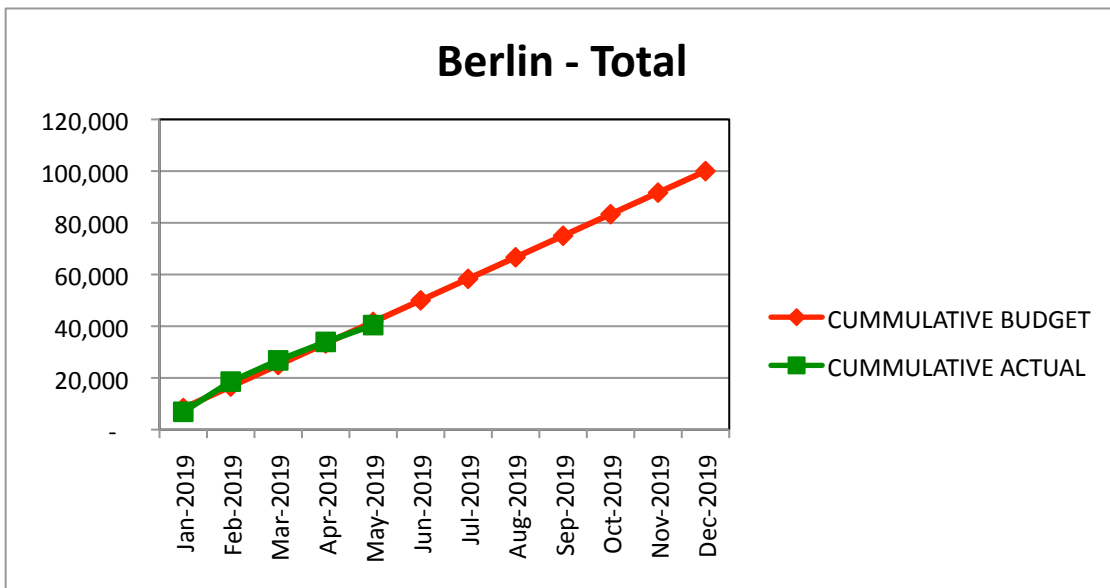
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,667	0	1,667	0%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	0	6,250	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>8,333</b>	<b>0</b>	<b>8,333</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	10,000	6,179	3,821	62%
Rens - Other	0	0	0	0%
Reg & Comp	37,500	34,212	3,288	91%
Administrative	2,500	47	2,453	2%
<b>Total</b>	<b>50,000</b>	<b>40,437</b>	<b>9,563</b>	<b>81%</b>



# M-S-R PPA Misc Legal Summary

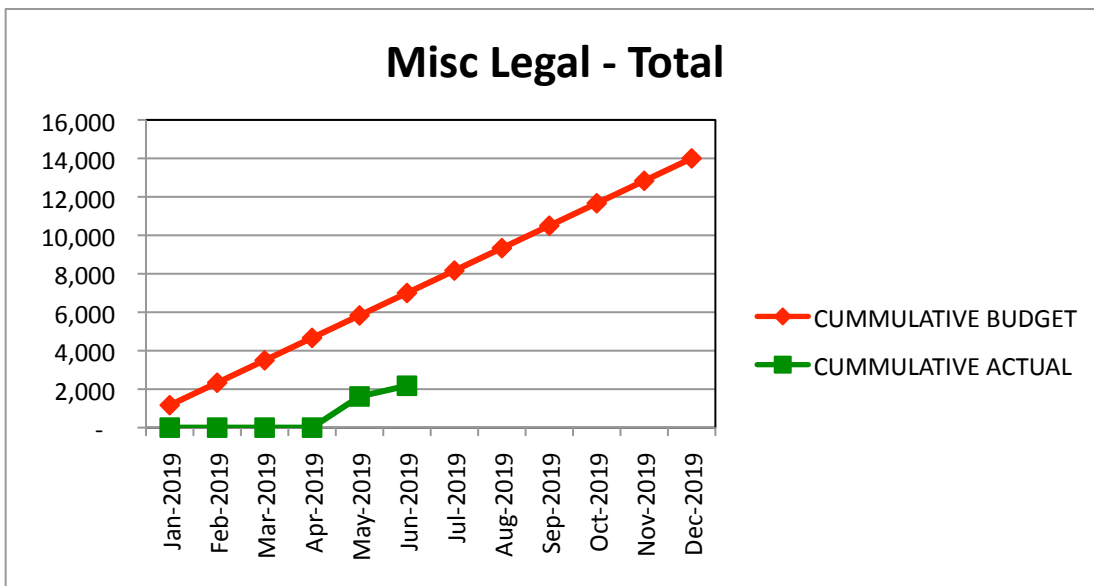
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	1,167	556	610	48%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>1,167</b>	<b>556</b>	<b>610</b>	<b>48%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	7,000	2,176	4,824	31%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>7,000</b>	<b>2,176</b>	<b>4,824</b>	<b>31%</b>



# M-S-R PPA Porter Simon Summary

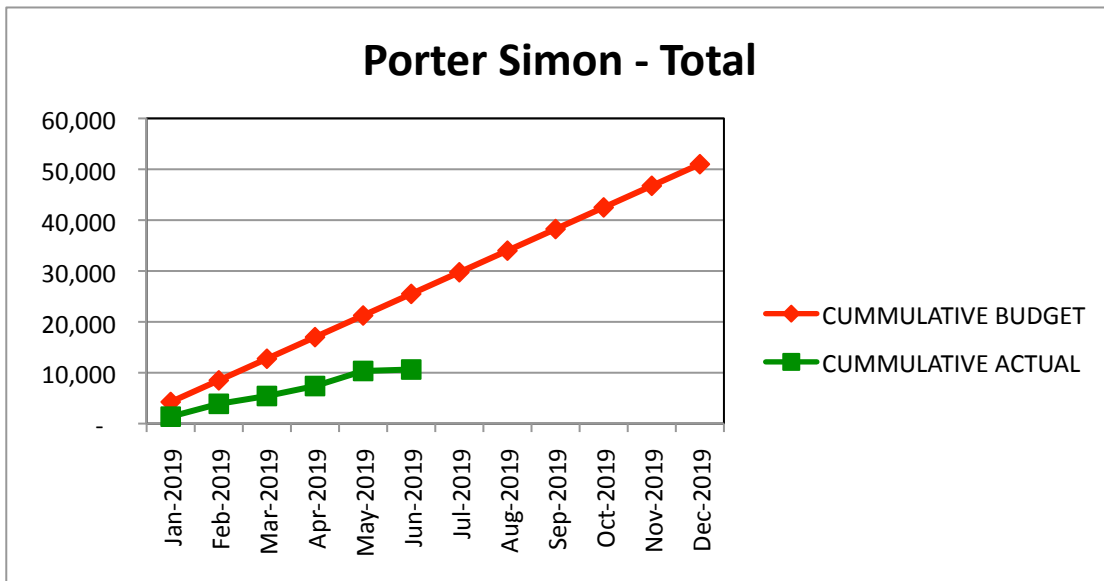
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,000	242	758	24%
Gen - Other	0	0	0	0%
Renewables	583	22	561	4%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	22	2,478	1%
<b>Total</b>	<b>4,250</b>	<b>286</b>	<b>3,964</b>	<b>7%</b>

## YEAR TO DATE

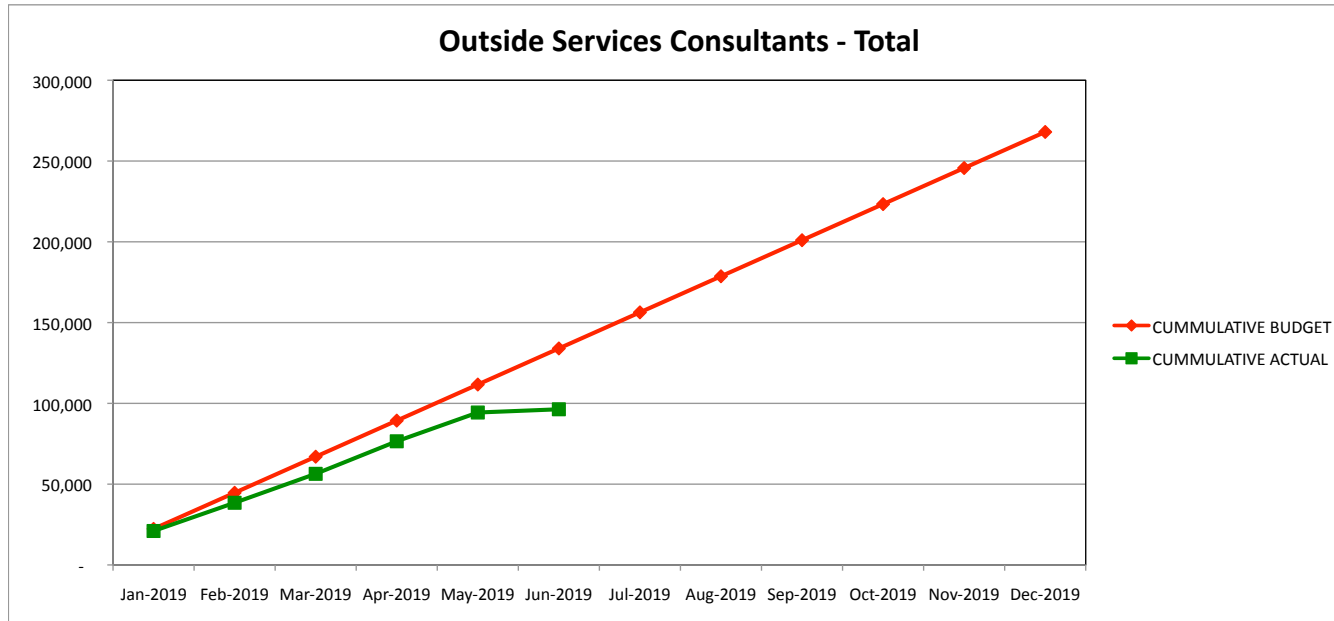
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	6,000	5,500	500	92%
Gen - Other	0	0	0	0%
Renewables	3,500	572	2,928	16%
Rens - Other	0	0	0	0%
Reg & Comp	1,000	0	1,000	0%
Administrative	15,000	4,560	10,440	30%
<b>Total</b>	<b>25,500</b>	<b>10,632</b>	<b>14,868</b>	<b>42%</b>



Legal Costs - 2018	2019 Budget	Reallocated Budget	Jan-2019 8.33%	Feb-2019 16.67%	Mar-2019 25.00%	Apr-2019 33.33%	May-2019 41.67%	Jun-2019 50.00%	Jul-2019 58.33%	Aug-2019 66.67%	Sep-2019 75.00%	Oct-2019 83.33%	Nov-2019 91.67%	Dec-2019 100.00%	Total	Average	Year-End Projection	Notes
<b>DWG&amp;P</b>																		
<b>Generation</b>																		
SJGS Agreements	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Renewables</b>																		
BPA/PNW Gen1	25,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Rens - Other</b>																		
BPA Rate Cases	300,000	290,000	25,891	15,500	15,023	19,869.50									76,283	19,071	228,850	
<b>Regulatory &amp; Comp</b>																		
FERC Gen1	150,000	150,000	18,050	9,534	13,430	21,741.30									62,756	15,689	188,269	
	480,000	450,000	43,942 9.76%	25,034 15.33%	28,453 21.65%	41,610.80 30.90%	-	-	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%	139,039	34,760	417,118 93%	
<b>Law Offices of Susie Berlin</b>																		
<b>Generation</b>																		
Renewables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Regulatory &amp; Comp</b>																		
RES/RPS	10,000	20,000	1,814	1,622	1,651	312	780.00								6,179	1,236	14,830	
<b>A&amp;G</b>																		
AB32/Cap & Trade/S	75,000	75,000	5,070	10,039	6,562	6,807	5,733.00								34,212	6,842	82,108	
	5,000	5,000	2	24	-	21	-								47	9	112	
	90,000	100,000	6,887 8.89%	11,684 18.57%	8,213 26.78%	7,140 33.92%	6,513.00	0	40.44%	40.44%	40.44%	40.44%	40.44%	40.44%	40,437	8,087	97,050 97%	
<b>Others</b>																		
<b>Generation - Other</b>																		
Najjar & Virtue	1,000	14,000	-	-	-	-	1,620	556.28							2,176	363	4,353	Richard Virtue
	1,000	14,000	0.00%	0.00%	0.00%	0.00%	11.57%	15.55%	15.55%	15.55%	15.55%	15.55%	15.55%	15.55%	2,176	363	4,353 31%	
<b>Sub Total</b>	571,000	564,000	50,828 9.01%	36,719 15.52%	36,666 22.02%	48,751 30.67%	8,133 32.11%	556 32.21%	-	-	-	-	-	-	181,653	43,210	518,521 92%	
<b>Porter Simon</b>																		
<b>M-S-R PPA</b>																		
<b>Generation</b>	20,000	12,000	528	220	1,496	1,958	1,056	242.00							5,500	917	11,000	
<b>Renewables</b>	2,000	7,000	-	-	-	-	550	22.00							572	95	1,144	
<b>Regulatory &amp; Comp</b>	2,000	2,000	-	-	-	-	-	-							-	-	-	
<b>A&amp;G</b>	30,000	30,000	836	2,302	44	-	1,356	22.00							4,560	760	9,120	
	54,000	51,000	1,364 2.67%	2,522 7.62%	1,540 10.64%	1,958 14.48%	2,962 20.29%	286.00 20.85%	20.85%	20.85%	20.85%	20.85%	20.85%	20.85%	10,632	1,772	21,264 42%	
<b>GRAND TOTAL</b>	625,000	615,000	52,192 8.49%	39,241 14.87%	38,206 21.08%	50,709 29.32%	11,095 31.13%	842 31.27%	-	-	-	-	-	-	192,285	44,982	539,785 87.77%	
			Legal Original 2019 Budget	Legal Revised 2019 Budget														
G			25,000	12,000											5,500		11,000	
G - Other			1,000	14,000											2,176		4,353	
R			37,000	37,000											6,751		15,974	
R - Other			300,000	290,000											76,283		228,850	
R&C			227,000	227,000											96,968		270,376	
A			35,000	35,000											4,607		9,232	
			625,000	615,000											192,285		539,785	
50/35/15 Renew	61,000	61,000													12,283		24,585	
	337,000	327,000													83,034		244,824	

## M-S-R PPA Total Outside Consult Summary

Month of: **Jun-2019**



By Function	CURRENT MONTH			
	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,500	0	2,500	0%
Gen - Other	0	0	0	0%
Renewables	9,500	1,000	8,500	11%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	2,417	1,000	1,417	41%
Administrative	2,083	0	2,083	0%
<b>Total</b>	<b>22,333</b>	<b>2,000</b>	<b>20,333</b>	<b>9%</b>

By Function	YEAR TO DATE			
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	15,000	16,324	(1,324)	109%
Gen - Other	0	0	0	0%
Renewables	57,000	43,038	13,962	76%
Rens - Other	35,000	22,022	12,978	63%
Reg & Comp	14,500	7,210	7,290	50%
Administrative	12,500	7,750	4,750	62%
<b>Total</b>	<b>134,000</b>	<b>96,343</b>	<b>37,657</b>	<b>72%</b>

By Provider	CURRENT MONTH			
	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Navigant	3,333	0	3,333	0%
KBT	15,833	0	15,833	0%
Others	3,167	2,000	1,167	63%
<b>Total</b>	<b>22,333</b>	<b>2,000</b>	<b>20,333</b>	<b>9%</b>

By Provider	YEAR TO DATE			
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Navigant	20,000	901	19,099	5%
KBT	95,000	81,023	13,977	85%
Others	19,000	14,419	4,581	76%
<b>Total</b>	<b>134,000</b>	<b>96,343</b>	<b>37,657</b>	<b>72%</b>

# M-S-R PPA Navigant Summary

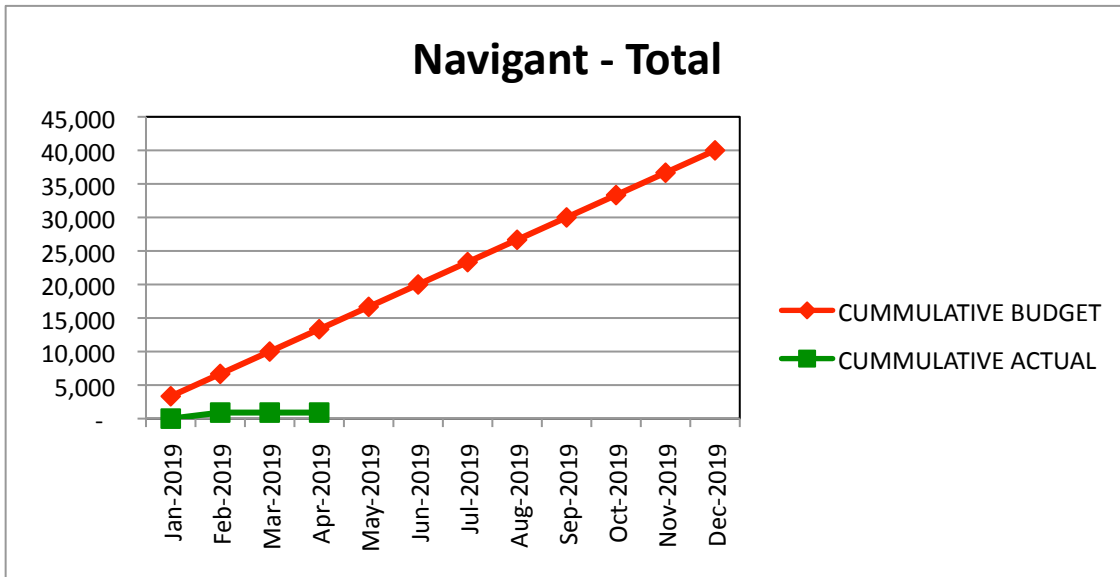
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	0	0	0	0%
Reg & Comp	833	0	833	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>3,333</b>	<b>0</b>	<b>3,333</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	12,500	0	12,500	0%
Rens - Other	0	0	0	0%
Reg & Comp	5,000	0	5,000	0%
Administrative	2,500	901	1,599	36%
<b>Total</b>	<b>20,000</b>	<b>901</b>	<b>19,099</b>	<b>5%</b>



# M-S-R PPA KBT Summary

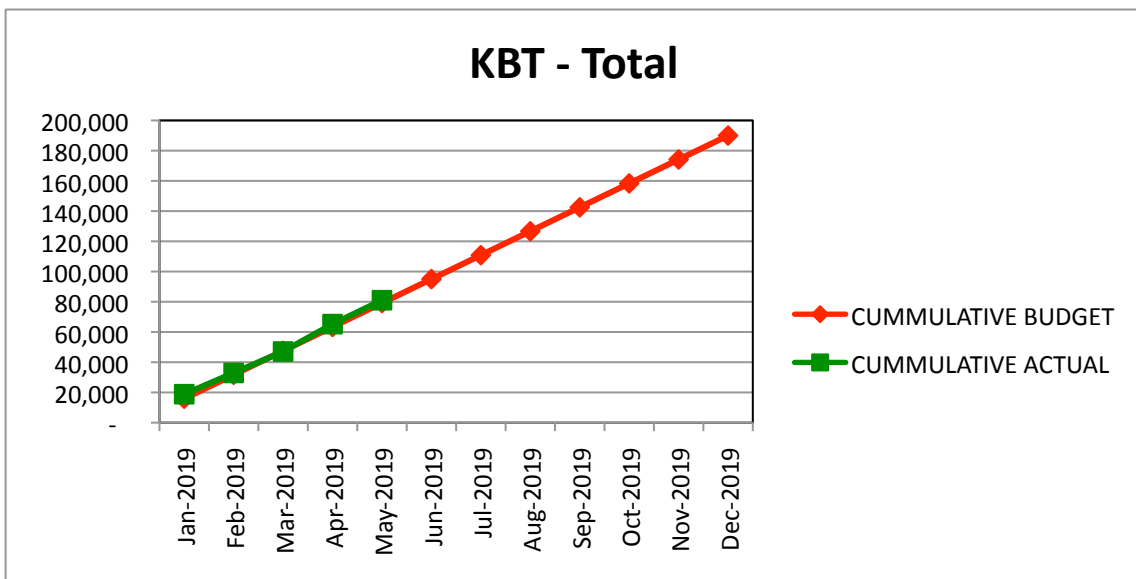
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,500	0	2,500	0%
Gen - Other	0	0	0	0%
Renewables	5,833	0	5,833	0%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	0	0	0	0%
Administrative	1,667	0	1,667	0%
<b>Total</b>	<b>15,833</b>	<b>0</b>	<b>15,833</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	15,000	16,324	(1,324)	109%
Gen - Other	0	0	0	0%
Renewables	35,000	35,828	(828)	102%
Rens - Other	35,000	22,022	12,978	63%
Reg & Comp	0	0	0	0%
Administrative	10,000	6,849	3,151	68%
<b>Total</b>	<b>95,000</b>	<b>81,023</b>	<b>13,977</b>	<b>85%</b>



# M-S-R PPA

## Misc Outside Services Summary

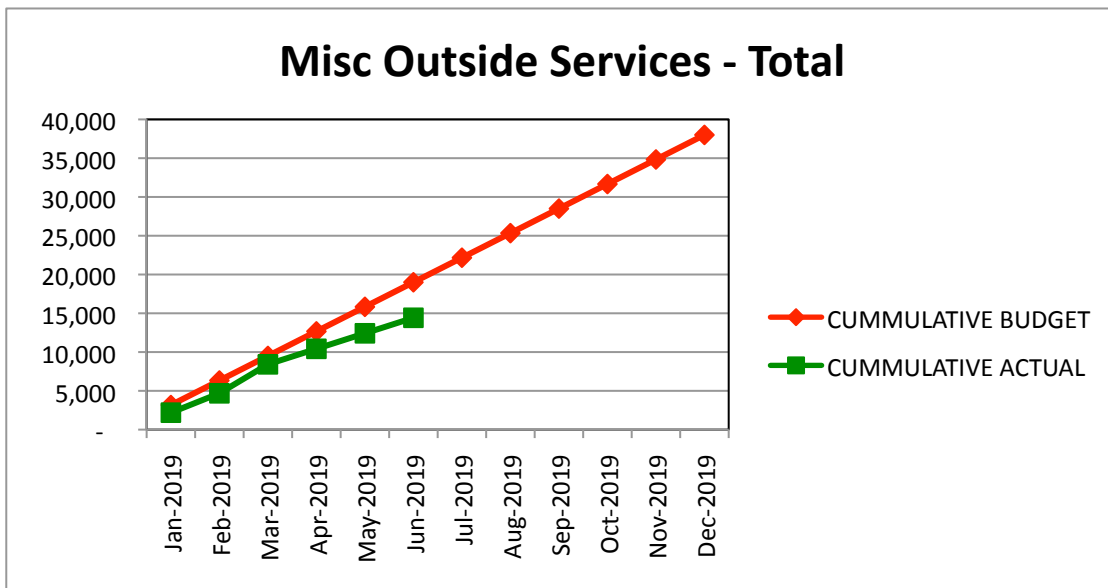
Month of: **Jun-2019**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,583	1,000	583	63%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	1,000	583	63%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>2,000</b>	<b>1,167</b>	<b>63%</b>

### YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	9,500	7,210	2,290	76%
Rens - Other	0	0	0	0%
Reg & Comp	9,500	7,210	2,290	76%
Administrative	0	0	0	0%
<b>Total</b>	<b>19,000</b>	<b>14,419</b>	<b>4,581</b>	<b>76%</b>

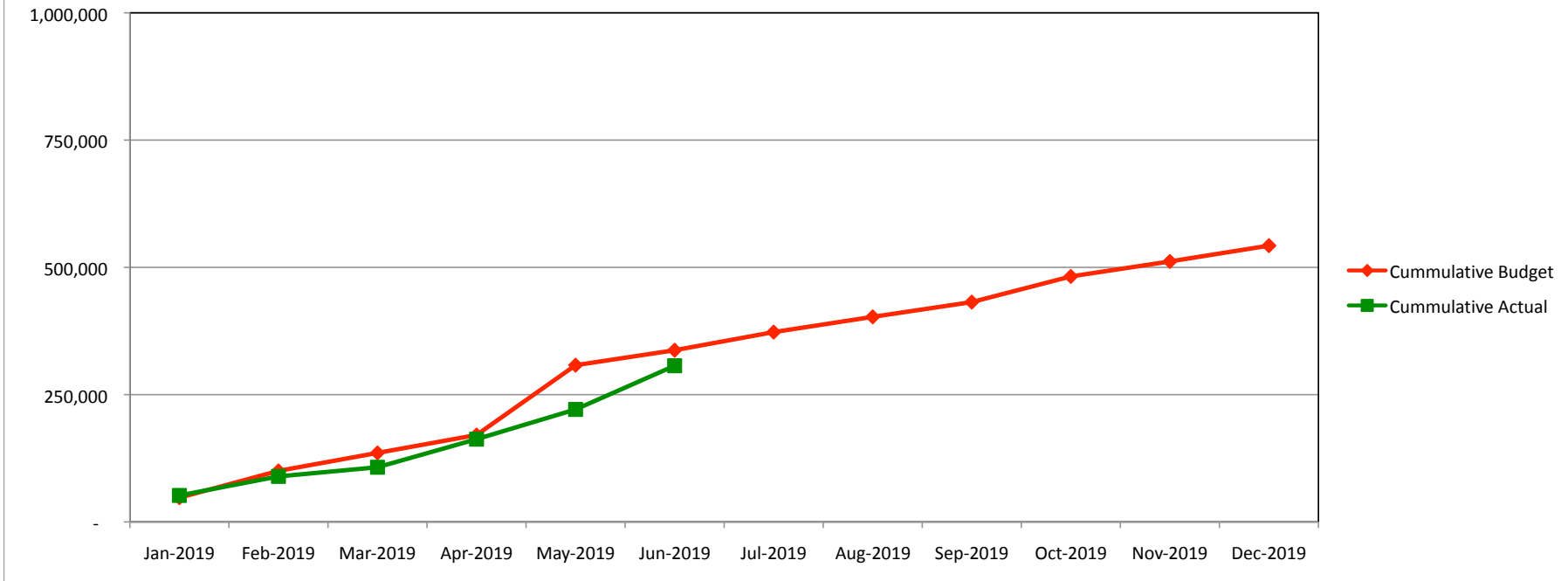


Consultant Costs - 2019	2019 Budget	Revised Budget	Task Orders	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Total	Average	Year-End Projection	Notes
				8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
<b>Navigant</b>																			
<b>Generation</b>																			
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Administrative</b>	5,000	5,000	-	900.90	-	-	-	-	-	-	-	-	-	-	-	901	150	1,802	
	40,000	40,000	-	900.90	-	-	-	-	-	-	-	-	-	-	-	901	150	1,802	5%
				0.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%				
<b>KBT</b>																			
<b>Generation</b>																			
General	20,000	30,000		3,180	3,392	2,544	4,452.00	2,756.00								16,324	3,265	39,178	
<b>Gen - Other</b>																			
SJGS Disposition				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																			
General	70,000	70,000		8,064	5,309	6,506	7,679.72	8,268.28								35,828	7,166	85,987	
<b>Rens - Other</b>																			
BP-20 Rate Case	70,000	70,000														-	-	-	BP-18 Rate Case
KBT 2019-01			14,560	6,734	3,640											10,374	5,187	10,374	Jan - Feb
KBT 2019-02			14,560			3,822	4,732.00									8,554	4,277	8,554	Mar - Apr
KBT 2019-03			14,560					3,094.00								3,094	1,547	3,094	May - Jun
KBT 2019-0x																-	-	-	Jul - Aug
KBT 2019-0x																-	-	-	Sep - Oct
KBT 2019-0x																-	-	-	Nov - Dec
Sum			43,680													22,022		22,022	
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>	20,000	20,000		848	1,728	1,304	1,272.00	1,696.00								6,849	1,370	16,437	
	180,000	190,000	43,680	18,826	14,070	14,177	18,135.72	15,814.28								81,023	22,811	163,624	86%
				9.91%	17.31%	24.78%	34.32%	42.64%	42.64%	42.64%	42.64%	42.64%	42.64%	42.64%	42.64%	81,023			
<b>SUBTOTAL</b>	220,000	230,000		18,826	14,971	14,177	18,136	15,814								81,924	22,961	165,426	72%
				8.56%	15.36%	21.81%	30.05%	37.24%	37.24%	37.24%	37.24%	37.24%	37.24%	37.24%	37.24%				
<b>Outside Services</b>																			
<b>Generation</b>																			
<b>Renewables</b>																			
Ferguson Group	5,000	5,000																	
Politico Group	14,000	14,000		1,093	1,249	1,868	1,000	1,000	1,000.00							7,210	1,202	14,419	
<b>Rens - Other</b>																			
Ferguson Group	5,000	5,000																	
Politico Group	14,000	14,000		1,093	1,249	1,868	1,000	1,000	1,000.00							7,210	1,202	14,419	
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>																			
	38,000	38,000		2,185	2,498	3,737	2,000	2,000	2,000.00							14,419	2,403	28,838	76%
				5.75%	12.32%	22.16%	27.42%	32.68%	37.95%	37.95%	37.95%	37.95%	37.95%	37.95%	37.95%				
<b>GRAND TOTAL</b>	258,000	268,000		21,011	17,468	17,913	20,136	17,814	2,000							96,343	25,365	194,264	72%
				8.14%	14.91%	21.86%	29.66%	36.57%	37.34%	37.34%	37.34%	37.34%	37.34%	37.34%	37.34%				
	Original 2019 Budget	Revised 2019 Budget																	
G	20,000	30,000																	39,178
G - Other	-	-																	-
R	114,000	114,000																	100,407
R - Other	70,000	70,000																	22,022
R&C	29,000	29,000																	14,419
A	25,000	25,000																	18,239
	258,000	268,000																	194,264
50/35/15	45,000	55,000																	57,417
Renew	184,000	184,000																	122,429

# Legacy Liability - Total

Month of: Jun-2019

## Legacy Liabilities - Total



### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
PNM - Reclamation	4,083	0	4,083	0%
SJCC - Reclamation	24,772	85,793	(61,022)	346%
PNM - Decommission	529	0	529	0%
<b>Total</b>	<b>29,384</b>	<b>85,793</b>	<b>(56,409)</b>	<b>292%</b>

### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	24,500	3,604	20,896	15%
SJCC - Reclamation	271,248	271,898	(650)	100%
PNM - Decommission	41,500	31,263	10,237	75%
<b>Total</b>	<b>337,248</b>	<b>306,766</b>	<b>30,483</b>	<b>91%</b>

# PNM - Reclamation

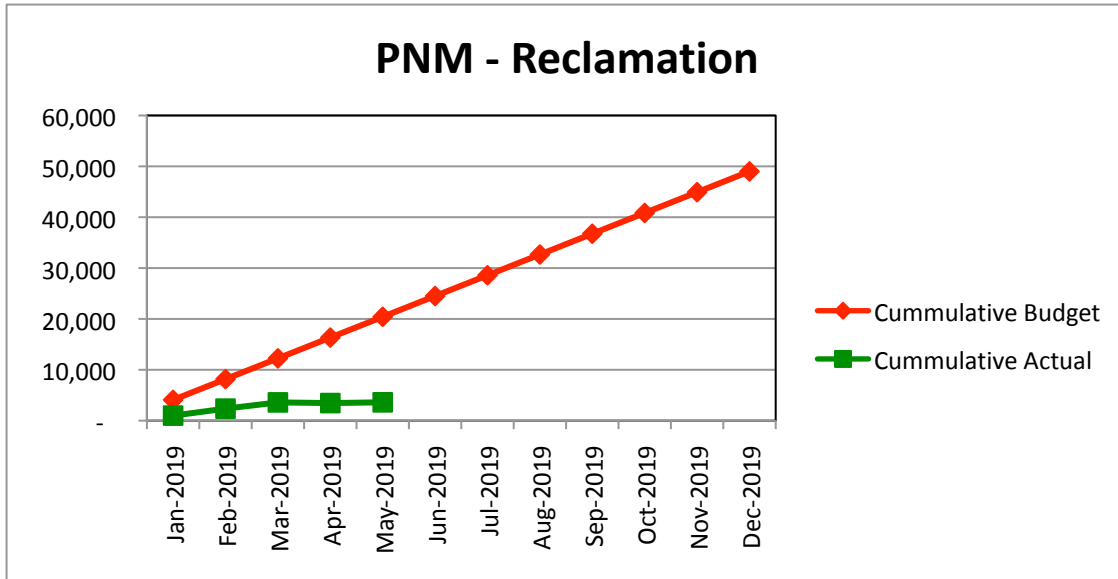
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	4,083	0	4,083	0%
<b>Total</b>	<b>4,083</b>	<b>0</b>	<b>4,083</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	24,500	3,604	20,896	15%
<b>Total</b>	<b>24,500</b>	<b>3,604</b>	<b>20,896</b>	<b>15%</b>



# SJCC - Reclamation

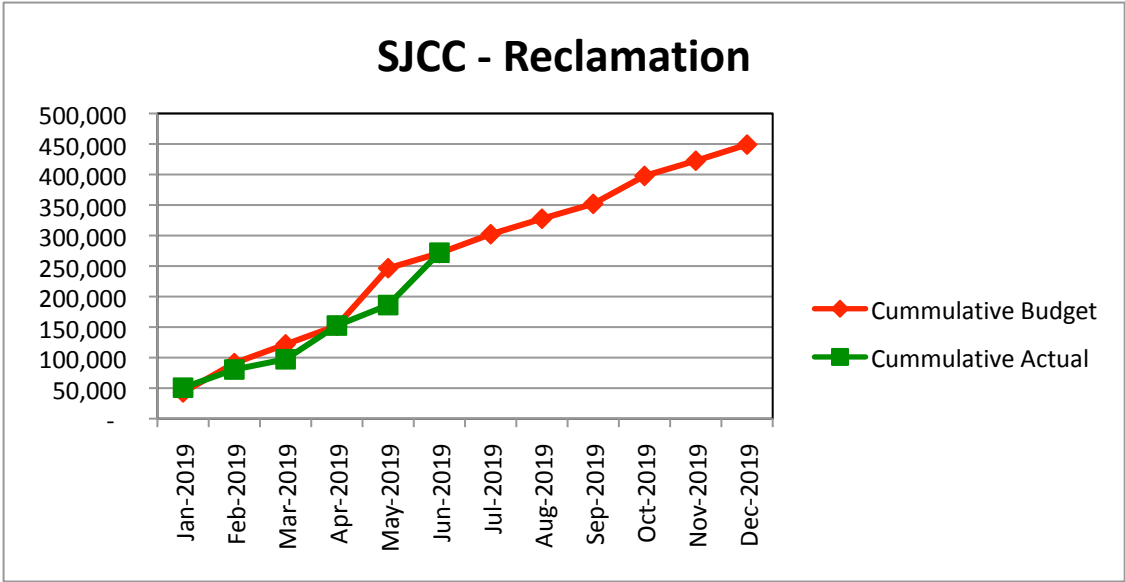
Month of: **Jun-2019**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	24,772	85,793	(61,022)	346%
<b>Total</b>	<b>24,772</b>	<b>85,793</b>	<b>(61,022)</b>	<b>346%</b>

### YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	271,248	271,898	(650)	100%
<b>Total</b>	<b>271,248</b>	<b>271,898</b>	<b>(650)</b>	<b>100%</b>



# PNM - Decommissioning

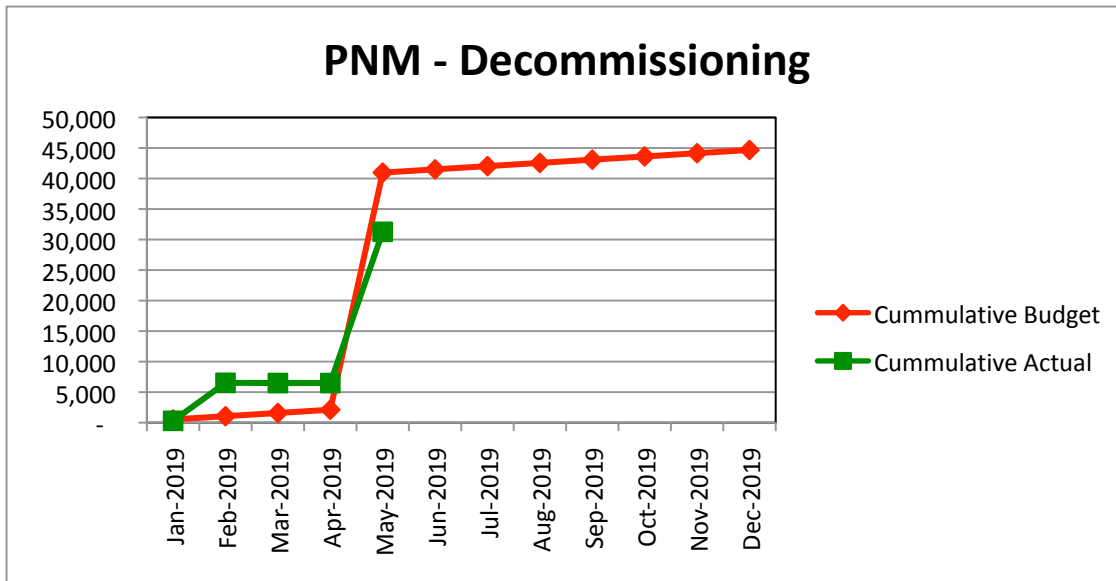
Month of: **Jun-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	529	0	529	0%
<b>Total</b>	<b>529</b>	<b>0</b>	<b>529</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	41,500	31,263	10,237	75%
<b>Total</b>	<b>41,500</b>	<b>31,263</b>	<b>10,237</b>	<b>75%</b>



Lagacy Liability Costs - 2019	M-S-R 2019 Budget	Revised or A.O.P	Jan-2019 8.33%	Feb-2019 16.67%	Mar-2019 25.00%	Apr-2019 33.33%	May-2019 41.67%	Jun-2019 50.00%	Jul-2019 58.33%	Aug-2019 66.67%	Sep-2019 75.00%	Oct-2019 83.33%	Nov-2019 91.67%	Dec-2019 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	49,000	49,000	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	49,000		
<b>Cummulative Budget</b>			4,083	8,167	12,250	16,333	20,417	24,500	28,583	32,667	36,750	40,833	44,917	49,000			
<b>Reclamation Trust</b>																	
<b>Funds Operating Agent</b>			993	1,366	1,229.53	(132)	148								3,604	721	8,651
<b>Cummulative Actual</b>	49,000	49,000	993	1,366	1,229.53	(132)	148	-	-	-	-	-	-	-	3,604	721	8,651
			2.03%	4.82%	7.32%	7.05%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%	7.36%			18%
<b>SJCC - Reclamation - Budget</b>			42,985	48,053	30,691	30,576	94,172	24,772	30,971	25,348	24,401	45,771	24,804	26,456	449,000		
<b>Cummulative Budget</b>			42,985	91,038	121,729	152,305	246,477	271,248	302,219	327,568	351,969	397,740	422,544	449,000			
			41,886	88,711	118,617	148,411	240,176	264,314	294,493	319,194	342,971	387,572	411,742	437,522			
<b>LaPlata</b>	51,687	51,687	4,047	4,389	5,316	4,577	4,739	4,515.48							27,584	4,597	55,169
<b>San Juan - Surface</b>	397,313	397,313	30,778	25,417	11,485	50,681	28,789	81,277.92							228,427	38,071	456,855
<b>San Juan - Underground</b>			15,887	-	-	-	-	-							15,887	2,648	31,773
<b>Cummulative Actual</b>	449,000	449,000	50,712	29,806	16,801	55,258	33,528	85,793.40	-	-	-	-	-	-	271,898	45,316	543,797
			50,712	80,518	97,319	152,577	186,105	271,898	271,898	271,898	271,898	271,898	271,898	271,898			121%
			11.29%	17.93%	21.67%	33.98%	41.45%	60.56%	60.56%	60.56%	60.56%	60.56%	60.56%	60.56%			
<b>PNM - Decommissioning</b>	6,347	38,327	529	529	529	529	38,856	529	529	529	529	529	529	529	44,673		
<b>Cummulative Budget</b>			529	1,058	1,587	2,116	40,971	41,500	42,029	42,558	43,087	43,616	44,144	44,673			
<b>Initial Decommissioning</b>			297	6,225	(30.58)	-	24,772								31,263	6,253	75,031
<b>Cummulative Actual</b>	6,347	38,327	297	6,225	(30.58)	-	24,772	-	-	-	-	-	-	-	31,263	6,253	75,031
			0.78%	17.02%	16.94%	16.94%	81.57%	81.57%	81.57%	81.57%	81.57%	81.57%	81.57%	81.57%			195.77%
<b>Total Lagacy Liability</b>		536,326	52,002	37,397	18,000	55,125	58,447	85,793	-	-	-	-	-	-	306,766	52,290	627,478
			52,002	89,399	107,399	162,525	220,972	306,766	306,766	306,766	306,766	306,766	306,766	306,766			
			9.70%	16.67%	20.03%	30.30%	41.20%	57.20%	57.20%	57.20%	57.20%	57.20%	57.20%	57.20%			117%
<b>Cummulative Budget</b>			47,597	100,262	135,565	170,753	307,864	337,248	372,831	402,792	431,805	482,188	511,605	542,673			
<b>Cummulative Actual</b>			52,002	89,399	107,399	162,525	220,972	306,766	306,766	306,766	306,766	306,766	306,766	306,766			

**M-S-R PPA General Manager**

**Mid-Year Review of General Manager 2019 Projects**

<b>GOAL</b>	<b>PPA Status</b>	<b>EA Corollaries</b>
<p><b>1. San Juan Divestiture:</b></p> <p>a. Manage transition activities regarding wind-up of San Juan generation activities and establish systems necessary to manage Legacy Liabilities within the funding plan adopted in Resolution 2016-04.</p> <p>b. Manage performance of Decommissioning Study by Decommissioning Agent, adoption of Decommissioning Plan under Decommissioning Agreement, and recommend needed adjustments, if any, to Legacy Liability funding plan.</p>	<p><b>1. San Juan Divestiture: GM YTD: 240 hours – YE est 500 hours Cnslt YTD: 90 hours – YE est 140 hours)</b></p> <p>a. General Manager lead representative to Decommissioning and Reclamation Committees with support by General Consultant with respect to monitoring Initial Decommissioning Work (as defined in Decommissioning Agreement.)</p> <p>Decommissioning and Reclamation Trusts funded to current target levels and Resolution 2016-04 funds tracking system established.</p> <p>b. Agreement reached w/ PNM re scope of Decommissioning Study. Third revised draft study received June 7, 2019. Given propensity of SJGS major projects to exceed expected scopes and costs, I recommend decisions to be made based on upper bound estimates. NPV costs of retire in place and full demolition scenarios are equivalent – all far less costly than retire in place followed by inevitable future demolition. M-S-R should support immediate full</p>	<p><b>1. N/A</b></p>

GOAL	PPA Status	EA Corollaries
<p>c. Resolve dispute with PNM regarding insurance cost allocations.</p> <p>d. Evaluate and present potential agency succession options for continued monitoring and administration of San Juan legacy liabilities and activities.</p>	<p>demolition as least cost and lowest risk option. Sufficient funds are on hand per Resolution 2016-04 funding plan. Note: PNM Abandonment filing proffers Retire-In-Place as preferred option – dispute per Item (d) below.</p> <p>c. PNM has made some reduction of allocations in response to M-S-R concerns.</p> <p>White Paper regarding further actions considered by Technical Committee July 11, 2019.</p> <p>d. New New Mexico Counsel retained for monitoring &amp; participation as needed in NM-PRC proceedings.</p> <p>White Paper to be prepared Fall 2019 to evaluate post-General Manager retirement scenarios.</p>	
<p><b>2. Big Horn Projects and BPA Rates:</b></p> <p>a. Monitor and participate in BPA rate proceedings and workshops to mitigate cost and operational impacts on the Big Horn Wind Energy Projects.</p>	<p><b>3. Big Horn Projects and BPA Rates:</b>  <b>GM YTD: 120 hours – YE est 250 hours</b>  <b>Cnslt ALH YTD: 150 hours – YE est 270 hours</b>  <b>Cnslt DLA YTD: 140 hours – YE est 240 hours:</b></p> <p>a. Implemented workplans and priorities for BPA activities re Rate Case Issues and outreach to PNW peers as set at 2018 BPA Day. Participated in BP-20 Rate Case and settlement</p>	<p>N/A</p>

GOAL	PPA Status	EA Corollaries
<p>b. Based on table agreement reached in 2018, negotiate clarifying amendments to Big Horn I Agreements to implement transmission event adjustments to Firming and Shaping rates, to fix rates related to Wind Integration/VERBS services, settle past rate adjustments, and to eliminate payment lock-boxes to allow direct payments for energy, environmental attributes, and firming and shaping/delivery services.</p> <p>c. Monitor and participate in ARB and CEC processes to ensure continued benefit from M-S-R PPA's early action in renewable energy projects.</p>	<p>re transmission issues and set 4.2%/4.4% increases in PTP/SI rates. Workshops re BPA \$331 million TBL accounting error, TBL reserves, and EIM and SC implementation.</p> <p>b. Draft amendments to Big Horn I PSA &amp; F&amp;S Agreements, Big Horn II PSA &amp; RDA Agreements, and BHI Security &amp; Custodian Agreements substantially complete. Interim-pricing side agreements to allow VERBS savings to be immediately passed through in-place.</p> <p>c. Continued lobbying for preservation of RPS Adjustment with ARB to maintain benefits of all Big Horn deliveries. Participated in CARB processes re Cap &amp; Trade accounting and reporting regulations.</p>	
<p><b>3. M-S-R Budget and Expense Management Processes</b></p> <p>a. Review, implement, and update as necessary,</p>	<p><b>4. M-S-R Budget and Expense Management Processes:</b>  <b>(Note: Other than Item 3(c), hours tracked under Administrative Matters):</b></p> <p>a. Task Order System for Outside Services Consultants</p>	<p><b>4. M-S-R Budget and Expense Management Processes:</b></p> <p>a. Task Order System implemented for Outside</p>

GOAL	PPA Status	EA Corollaries
<p>processes including budget and expense controls and reporting mechanisms including task result reports and cost tracking referenced to original work authorizations or delegations of authority, for reconciliation of the Agency's controllable costs with the Annual Budget.</p> <p>b. Implement monthly reporting as identified by the Commission President.</p> <p>c. Review and recommend actions related to further reductions of Agency Consultant utilization post-San Juan Exit and replace when possible with General Manager representation of Agency where necessary to preserve the Agency's interests or where Agency representation brings unique insight to Member interests.</p>	<p>remains effective in controlling costs.</p> <ul style="list-style-type: none"> <li>▪ Legal assignments reviewed docket by docket. Phase-out of FERC TRR dockets.</li> <li>▪ Periodic Budget v. Actual Reports presented to Technical C'tee &amp; Commission.</li> </ul> <p>b. Monthly reports on General Manager and General Consultant activities provided to Commissioners.</p> <p>c. <b>Regulatory and Compliance Program Cost Tracking GM YTD: 90 hours – YE est 200 hours.</b></p> <p>Year-over-year annualized consulting cost reductions (2019 v. 2018):</p> <ul style="list-style-type: none"> <li>- Generation: 57%</li> <li>- Renewables: 11%</li> <li>- Administrative: 67%</li> </ul> <p>Monitoring of CPUC and Leg proposals re Wildfire Safety and Liability Reform – direct impacts to M-S-R Liability Insurance renewals (59% annual premium increase) and indirect to Member insurance and transmission costs.</p> <p>GM Conference and Continuing Education report and workplan reviewed by Commission President and Commissioners.</p>	<p>Services Consultant.</p> <ul style="list-style-type: none"> <li>▪ No legal assignments in 2018.</li> <li>▪ Periodic Budget v. Actual Reports presented to Technical C'tee &amp; Commission.</li> </ul> <p>b. Included in M-S-R PPA monthly reports.</p>

GOAL	PPA Status	EA Corollaries
<p><b>5. Administrative Matters:</b></p> <p>a. Review, implement, and update as necessary the M-S-R PPA Policies And Procedures Manual to assure the efficient administration of the Agency in compliance with its organic agreements and Commission directives. Corrective policies and procedures, if identified and needed, will be prepared for Commission consideration. Implement new policies as needed and accumulate reports for 2020 update to M S R PPA Policies And Procedures Manual</p> <p>b. Rebuild and rehost Agency website to reflect current Agency operations and requirements of State Law, increase utility and address compatibility issues between current e-mail system and Outlook users.</p> <p>c. Provide an outline of General Manager activities and estimate the annual effort for each.</p> <p>d. Increase communication and consultation with Commission President on agency issues and General Manager activities of heightened interest.</p>	<p><b>5. Administrative Matters:</b>  <b>GM YTD: 200 hours – YE est 400 hours</b>  <b>Cnslt YTD: 33 hours – YE est 70 hours</b></p> <p>a. No needed policy changes identified to date</p> <p>b. Interim patches made to website.</p> <p>c. See this report.</p> <p>d. Monthly reports provided to Commissioners and increased informal communication with President.</p>	<p><b>Administrative Matters:</b>  <b>GM YTD: 60 hours – YE est 150 hours)</b></p> <p>a. Reviewed requirements re Member to Member gas transactions and provided guidance re same as clarification to existing adopted procedures.</p> <p>b. Interim patches made to website.</p> <p>c. See this report.</p> <p>d. Included in M-S-R PPA monthly reports.</p>

GOAL	PPA Status	EA Corollaries
<p><b>EA Natural Gas Prepay:</b></p> <p>a. Renew or replace expiring Forward Delivery Agreement for investment of Debt Service Funds</p>	<p>N/A</p>	<p><b>EA Mgmt:</b>  <b>GM YTD: 60 hours – YE est 150 hours)</b></p> <p>a. Workplan prepared for Financial Advisor implementation.</p>