

PUBLIC SERVICE COMPANY OF NEW MEXICO
BUSINESS PRACTICE RELATING TO CLUSTERING OF LONG - TERM FIRM
POINT-TO-POINT SERVICE SYSTEM IMPACT STUDIES UNDER SECTION 19.4 OF
THE PNM OPEN ACCESS TRANSMISSION TARIFF (“OATT”)

Effective September 25, 2007

Requests by Customers to Establish a Cluster under Section 19.4 of the PNM OATT:

- 1) For a cluster request to be valid, it must be submitted in writing and executed by an authorized representative of each consenting cluster participant. PNM will accept a cluster request that has been executed in counterparts.
- 2) It shall be the responsibility of the cluster request participants to coordinate amongst themselves in the development of a cluster request, including jointly establishing agreement and consent amongst the participants to participate in a System Impact Study (“SIS”) cluster and to execute a multi-party SIS Agreement. Therefore, in effect, a request to establish a SIS cluster shall be a joint request of the consenting cluster participants.
- 3) Cluster requests and any separate written consents of cluster participants shall be tendered to:

Public Service Company of New Mexico
Alvarado Square
Albuquerque, New Mexico 87158
Attention: Lead Director - Transmission Operations
- 4) PNM will accept (or reject) a request by the consenting customers to develop a cluster within 30 calendar days after receipt by PNM of a valid cluster request and all written concurrences.
- 5) Each consenting cluster participant must agree to: i) terminate any individual existing SIS Agreement and pay any outstanding amount owed to PNM; and ii) execute a new multi-party SIS Agreement consistent with the cost sharing provisions in Section 19.4 of the PNM OATT.

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