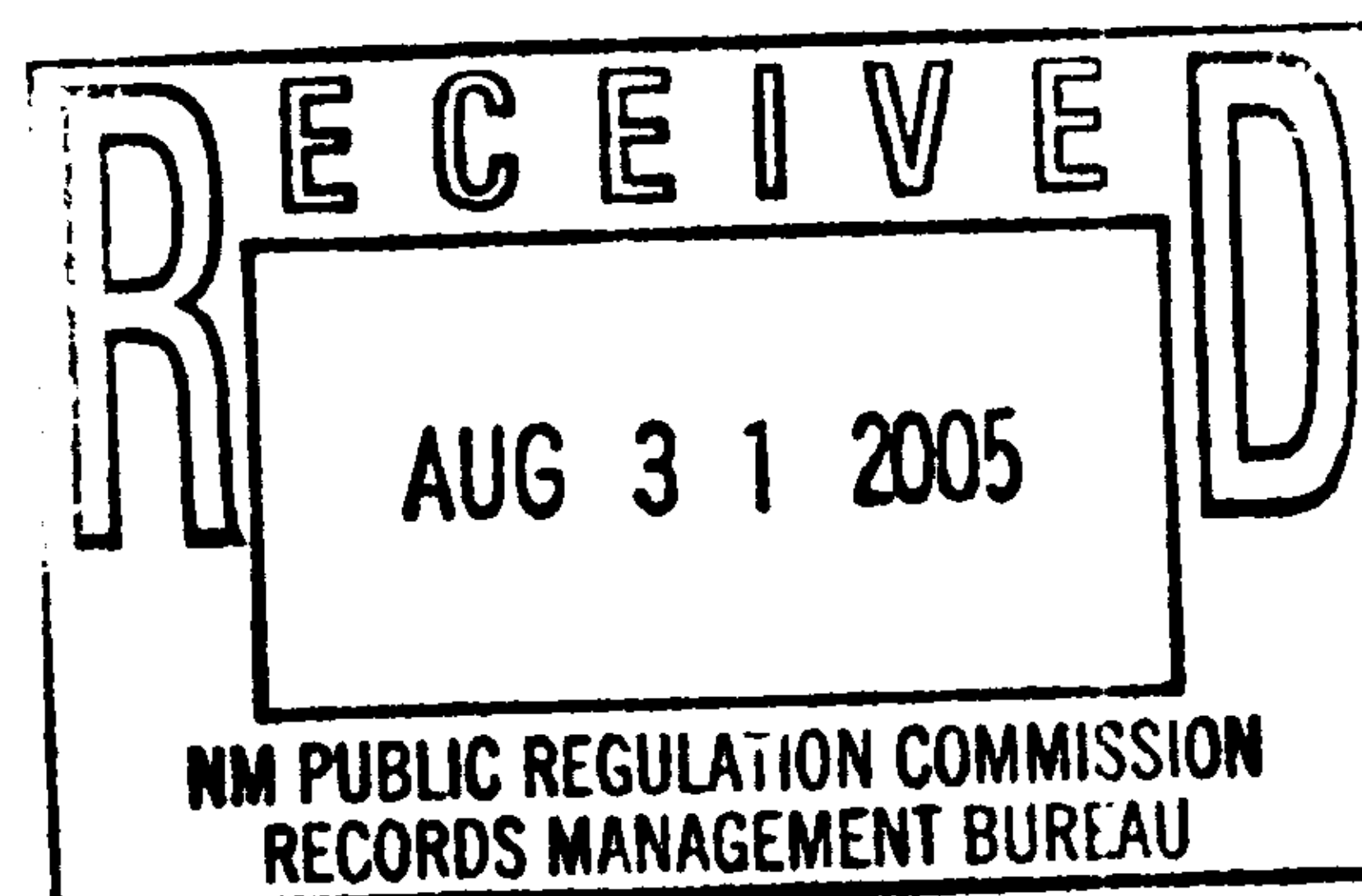


PNM
Alvarado Square
Albuquerque, NM 87158-0920
505 241-2700
Fax 505 241-2386
www.pnm.com

August 31, 2005



Mr. Ronald X. Montoya
Interim Operations Manager
New Mexico Public Regulation Commission
224 East Palace Avenue
Santa Fe, NM 87501

RE: *PNM's Filing of a Petition for Declaratory Order*

Dear Mr. Montoya:

05-00352-UT


Attached is PNM's Petition for Declaratory Order regarding 17.9.572 NMAC ("Rule 572"), Section 13(B). In conformance with 17.1.2.24(B) NMAC, attached with the Petition is a Brief setting forth PNM's position and relevant facts in support of the Petition and an Affidavit by Mr. Patrick K. Scharff attesting to the facts set forth in the Petition and Brief.

In this Petition for Declaratory Order, PNM requests that the Commission issue a declaratory order that: (1) PNM has discretion to determine whether to acquire RECs from Qualifying Facilities ("QFs"), as referenced in Rule 572.13(B), from which PNM purchases renewable energy under Rule 570; and (2) it is reasonable and prudent for PNM to pay value for RECs, whether or not acquired with the associated energy purchased from QFs.

The original and fourteen copies are for filing. Please conform the fifteenth copy for our files and return with our courier. Enclosed is a check for \$25.00 to cover filing fees. Copies of this filing are also being mailed or delivered to the parties identified on the service list.

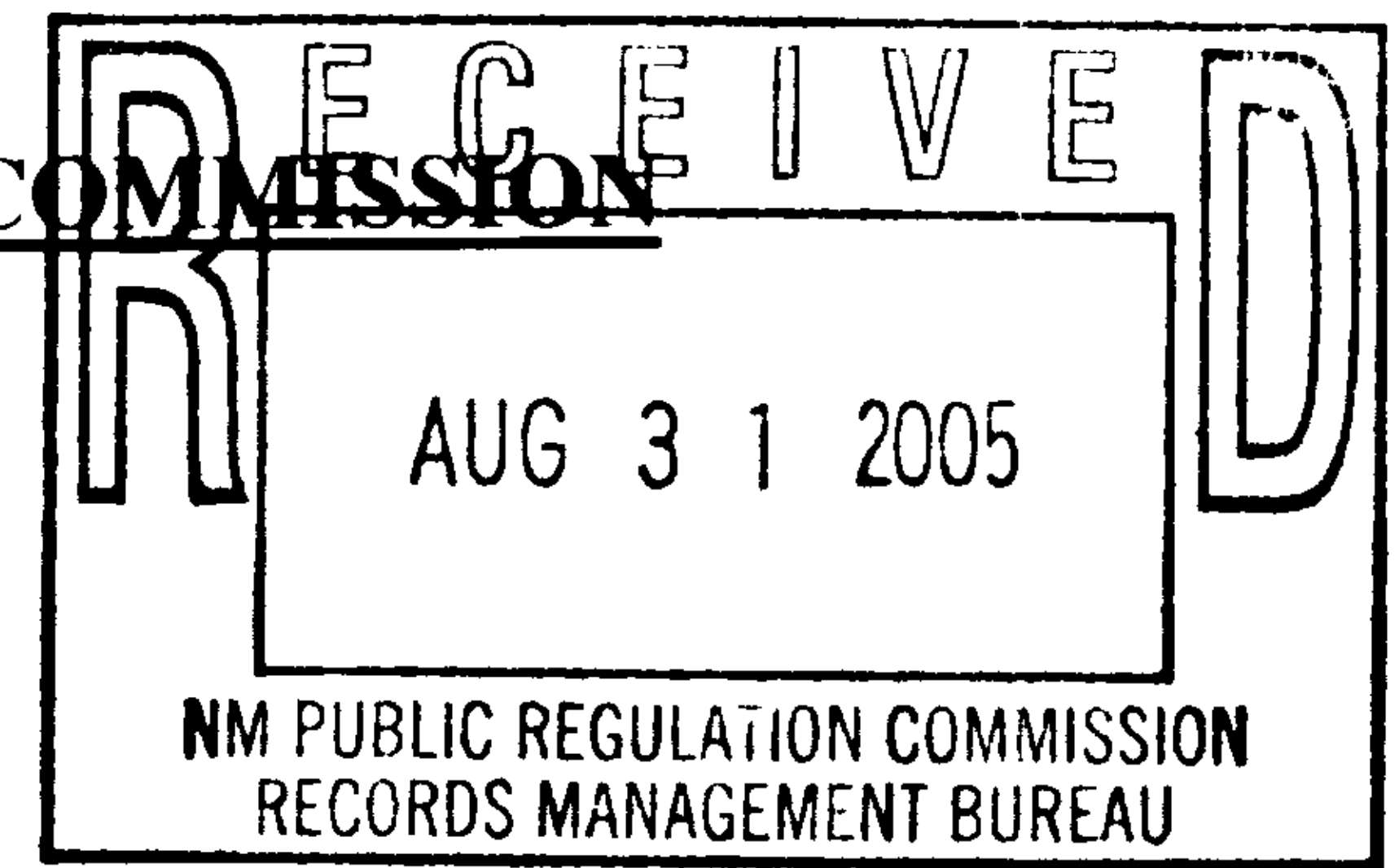
If you have any questions regarding this filing, please contact me at 505-241-2479.

Respectfully,


Thomas J. Wander
Director, Regulatory Projects

cc: PNM's Petition for Declaratory Order Filing Certificate of Service
Joanne Reuter – MS 0920
DCC – MS 0900

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION



**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S PETITION)
FOR DECLARATORY ORDER REGARDING)
THE PURCHASE OF RENEWABLE ENERGY)
CERTIFICATES FROM QUALIFYING)
FACILITIES)
)
PUBLIC SERVICE COMPANY OF)
NEW MEXICO,)
)
Petitioner,)
)
_____)**

Utility Case No. 05-00352-UT

**PUBLIC SERVICE COMPANY OF NEW MEXICO'S
PETITION FOR DECLARATORY ORDER**

Public Service Company of New Mexico ("PNM"), pursuant to 17.1.2.24. NMAC, petitions the New Mexico Public Regulation Commission ("NMPRC" or the "Commission") for a declaratory order clarifying transfer and payment obligations and recovery of costs relating to the acquisition of renewable energy certificates ("RECs") under § 62-16-5 NMSA of the Renewable Energy Act, §§ 62-16-1 to 62-16-10 NMSA 1978 (Repl. Pamp. 2004) ("REA"), Commission Rule 17.9.570 NMAC ("Rule 570"), and Commission Rule 17.9.572 NMAC ("Rule 572"). Specifically, PNM requests that the Commission issue a declaratory order that: (1) PNM has discretion to determine whether to acquire RECs from QFs, as defined below, from which PNM purchases renewable energy under Rule 570; and (2) it is reasonable and prudent for PNM to pay value for RECs, whether or not acquired with the associated energy.

The Affidavit of Patrick K. Scharff, Manager of Distribution Planning and Distributed Resources ("Affidavit") is attached as Attachment A. PNM's Brief in Support of PNM's Petition for Declaratory Order is attached as Attachment B. As grounds for this Petition, PNM states as follows: