

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Troy ParentCo LLC
TXNM Energy, Inc.
Public Service Company of New Mexico
New Mexico PPA Corporation
Docket No. EC25-140-000

December 23, 2025

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Reference: Authorization Pursuant to Section 203 of the Federal Power Act

Dear Counsel:

On August 25, 2025, you filed an application on behalf Troy ParentCo LLC (Troy ParentCo), TXNM Energy, Inc. (TXNM), Public Service Company of New Mexico (PNM), and New Mexico PPA Corporation (NMPC) (collectively, Applicants) pursuant to sections 203(a)(1)(A) and 203(a)(2) of the Federal Power Act¹ requesting Commission authorization for a transaction whereby TXNM will become an indirect, wholly owned subsidiary of Troy ParentCo (Proposed Transaction).

Please be advised that the application is deficient and the Commission requires additional information in order to process it. Accordingly, please respond to the information requested below.

¹ 16 U.S.C. § 824b.

Cross-Subsidization – “safe harbors”

Applicants represent that the Proposed Transaction falls within a Commission “safe-harbor” for transactions that are subject to review by a state commission. The Commission explained in the Supplemental Policy Statement that “the Commission, in the context of specific mergers or other corporate transactions, intends to defer to state commissions where the state adopts or has in place ring-fencing measures to protect customers against inappropriate cross subsidization or the encumbrance of utility assets for the benefit of the ‘unregulated’ affiliates. Therefore, compliance with Exhibit M could be satisfied with a showing that the proposed transaction complies with specific state regulatory protections against inappropriate cross-subsidization by captive customers. If a state does not have the authority to impose cross-subsidization protections, however, the transaction would not qualify for this safe harbor.”²

1. Please explain in detail any ring-fencing provisions that the New Mexico Public Regulation Commission and the Public Utility Commission of Texas have in place to protect customers, including restrictions on intra-company transfers, dividend payments, and provisions of services.
2. Please explain what, if any, ring-fencing provisions Applicants committed to in the New Mexico Public Regulation Commission and the Public Utility Commission of Texas proceedings addressing the Proposed Transaction. Please explain the New Mexico Public Regulation Commission’s authority and the Public Utility Commission of Texas’ authority to implement such ring-fencing provisions and provide any orders that implement such provisions.

This letter is issued pursuant to 18 C.F.R. § 375.307 and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713. Please respond to this letter within 30 days of the date of this letter.

In addition, submit an electronic version of your response to Eric Olesh at eric.olesh@ferc.gov and to all parties that have either requested or been granted intervention in this proceeding.

A notice will be issued upon receipt of your filing.

Issued by: Amery Poré, Director, Division of Electric Power Regulation – West

² *FPA Section 203 Supplemental Policy Statement*, FERC Stats. & Regs. ¶ 31,253, at P 18 (2007) (Supplemental Policy Statement).