

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE JOINT APPLICATION OF)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC.AND TROY PARENTCO LLC)
FOR APPROVAL OF AN ACQUISITION AND MERGER)
OF TROY MERGER SUB INC. WITH TXNM ENERGY,) Docket No. 25-00060-UT
INC.; APPROVAL OF A GENERAL DIVERSIFICATION)
PLAN; AND ALL OTHER AUTHORIZATIONS AND)
APPROVALS REQUIRED TO CONSUMMATE AND)
IMPLEMENT THIS TRANSACTION (“JOINT)
APPLICATION”))**

PROCEDURAL ORDER ESTABLISHING AFFIRMATIVELY RELEVANT TOPICS

THIS MATTER comes before the New Mexico Public Regulation Commission (“Commission”) to provide a procedural order for the hearing on the Joint Application of Public Service Company of New Mexico (“PNM”), TXNM Energy, Inc. and Troy ParentCo LLC for approval of an acquisition and merger of Troy Merger Sub Inc. with TXNM Energy, Inc. (“Joint Application”).

PURPOSE AND NATURE OF THIS ORDER

1. This Procedural Order provides the parties a list of topics and information the Commission deems affirmatively relevant to its evaluation of the Joint Application. The goal is to facilitate the development of a complete and useful evidentiary record and expedient resolution of the Joint Application.

2. The issues and subjects identified in this Order are deemed relevant to this proceeding. Parties seeking to introduce evidence on additional issues must first demonstrate the relevance of those issues to the Commission’s statutory obligations.

3. Nothing in this Procedural Order constitutes a determination on the merits of the Joint Application or prejudices whether the proposed transaction is lawful or in the public interest.

STATUTORY AUTHORITY AND GOVERNING STANDARD

4. The Commission's authority to review and approve acquisitions and mergers of public utilities arises from NMSA 1978, Sections 62-6-12 and 62-6-13.

5. The Commission shall approve a proposed acquisition or merger unless it finds the transaction to be unlawful or inconsistent with the public interest.¹

6. The Commission is charged with ensuring that the proposed transaction will not impair the ability of the public utility to provide adequate service at just and reasonable rates and that the Commission's jurisdiction and regulatory authority are preserved.²

7. In carrying out this statutory mandate, the Commission has previously considered a set of factors—including customer benefits, preservation of jurisdiction, service quality, affiliate transactions, financial qualifications, and protections against harm—as analytical tools to inform its public-interest determination.³

8. The Commission also evaluates the proposed transaction pursuant to Rule 17.6.450 NMAC.

¹ NMSA 1978, § 62-6-13.

² See NMSA 1978, § 62-8-1; 62-6-4(A).

³ See Case No. 04-00315-UT, Certification of Stipulation, pp. 16-17 (May 26, 2005), approved by Final Order Approving Certification of Stipulation (June 7, 2005); Case No. 11-00085-UT, Recommended Decision of the Hearing Examiner, pp. 15-16 (Dec. 2, 2011), approved by Final Order (Dec. 22, 2011).

ISSUES THE COMMISSION SEEKS TO UNDERSTAND

9. To determine whether the proposed transaction is lawful and consistent with the public interest, the Commission seeks evidence and testimony addressing, at a minimum, the following subjects:

A. General Inquiry

- Whether any aspect of the proposed transaction is unlawful, and if so, the nature and scope of such unlawfulness;

B. Rates, Service, and Customer Harm

- Whether and how the transaction may impair PNM's ability to provide adequate, safe, and reliable service;
- Whether the transaction may result in rate increases, increased costs, or other financial harm without corresponding benefits to customers; and
- Whether the transaction may negatively affect PNM's financial performance or impose additional risks on ratepayers.

C. Utility Governance, Board Structure, and Independence

- The proposed structure of PNM's board of directors following the transaction;
- How board members will be selected, appointed, compensated, and evaluated;
- The independence of board members, including any affiliations with or compensation from upstream owners or affiliates; and
- The incentives, duties, and governance mechanisms designed to ensure protection of New Mexico customers.

D. Management Continuity and Local Decision-Making

- Whether existing management will continue or whether new management will be installed following the transaction, and, if so, whether that management will be located in New Mexico;
- The extent to which management located in New Mexico (if any) will retain authority over day-to-day operations, planning, and investment decisions; and
- How decisions affecting service quality, system investments, and rates will be made in practice.

E. Capital Allocation, Financial Structure, and Purchase Price

- PNM's stated need for a partner to finance system investments and whether alternative structures could meet those needs;
- How capital will be allocated among affiliated entities and how competition for capital within the corporate structure will be managed;
- The relationship between the purchase price paid for PNM and expectations for revenue, recovery, and return; and
- Whether and how any difference between purchase price and utility value could affect customers.

F. Customer Benefits and Operational Impacts

- The nature, magnitude, and enforceability of claimed customer benefits;
- Whether claimed benefits are incremental and merger-specific;
- How the claimed benefits will be measured and verified;

- How investments—such as advanced metering infrastructure, grid modernization, or system upgrades—will be implemented to produce customer benefits under the proposed ownership structure; and
- How those investments and benefits compare to outcomes under continued ownership absent the transaction.

G. Affiliate Transactions, Improper Subsidization, and Transparency

- Existing and potential affiliate transactions, including transactions with Blackstone-affiliated entities;
- How affiliate transactions may affect service quality, operational efficiency, or costs borne by customers;
- Policies, controls, and reporting requirements governing affiliate transactions; and
- Protections designed to prevent improper subsidization or commingling of resources.

H. Preservation of Commission Jurisdiction and Enforcement

- The Commission’s ongoing regulatory authority over PNM following the transaction;
- Ring-fencing, reporting, audit, and transparency commitments extending beyond transaction approval;
- Ongoing financial reporting consistent with the Rules of the Public Regulation Commission and any specific additional financial information that is relevant to its specific business entity as it relates to the proposed transaction;
- The Commission’s ability to monitor compliance and enforce commitments over time;
- Whether and how ownership, governance, or board structures could be modified in the future without Commission approval; and

- Mechanisms available to ensure adherence to representations, commitments, and conditions established in this proceeding.

FINDINGS AND CONCLUSIONS

10. The Commission finds the procedural order is necessary to ensure an efficient, fair, and focused adjudication consistent with due process and the Commission's statutory obligations under the Public Utility Act, NMSA 1978, Sections 62-1 through 6 and 62-8 through 13.11. The Commission incorporates by reference any findings and conclusions stated in the body of this order.

IT IS THEREFORE ORDERED:

A. The issues identified in this Order are deemed relevant to the Commission's review of the Joint Application, and, as such, the parties are affirmatively directed to provide evidence and testimony that develop these issues and subject areas, and that evidence on additional issues may be presented and will be considered only upon a showing that such issues are relevant to the Commission's statutory review under NMSA 1978, Sections 62-6-12 and 62-6-13.

B. This Order is effective when signed.

C. The Commission shall serve a copy of this Order upon all persons listed on the attached Certificate of Service via e-mail if their e-mail addresses are known, and otherwise, via regular mail.

D. In computing time in accordance with statute, regulation, or Commission order, the computation shall begin on the date that this Order is filed with the Chief Clerk of the Commission's Records Management Bureau or the Chief Clerk's designee.

**SIGNED under the Seal of the Commission at Santa Fe, New Mexico, this 15th day
of January, 2026.**

NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ Gabriel Aguilera, electronically signed
GABRIEL AGUILERA, COMMISSIONER

/s/ Greg Nibert, electronically signed
GREG NIBERT, COMMISSIONER

/s/ Patrick J. O'Connell, electronically signed
PATRICK J. O'CONNELL, COMMISSIONER



BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF)
 PUBLIC SERVICE COMPANY OF NEW MEXICO,)
 TXNM ENERGY, INC.AND TROY PARENTCO LLC)
 FOR APPROVAL OF AN ACQUISITION AND MERGER)
 OF TROY MERGER SUB INC. WITH TXNM ENERGY,) **Docket No. 25-00060-UT**
 INC.; APPROVAL OF A GENERAL DIVERSIFICATION)
 PLAN; AND ALL OTHER AUTHORIZATIONS AND)
 APPROVALS REQUIRED TO CONSUMMATE AND)
 IMPLEMENT THIS TRANSACTION (“JOINT)
 APPLICATION”))

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this date I sent a true and correct copy of the foregoing *Procedural Order Establishing Affirmatively Relevant Topics* to the parties listed here.

Hearing Examiners Division	
Jocelyn Barrett	Jocelyn.Barrett@prc.nm.gov;
Patrick Schaefer	Patrick.schaefer@prc.nm.gov;
Christopher Ryan	Christopher.ryan@prc.nm.gov;
Ana Kippenbrock, Paralegal	Ana.kippenbrock@prc.nm.gov;
PRC General Counsel	
Alejandro Rettig y Martinez	Alejandro.Martinez@prc.nm.gov;
Erin Lecocq	Erin.Lecocq@prc.nm.gov;
Scott Cameron	Scott.Cameron@prc.nm.gov;
Albuquerque – Bernalillo County Water Utility Authority - ABCWA	
Keith W. Herrmann	KHerrmann@stelznerlaw.com;
Nann M. Winter	NWinter@stelznerlaw.com;
Christopher Melendez	CMelendrez@abcwua.org;
L. Erica Flores	EFlores@stelznerlaw.com;
Mark Garrett	MGarrett@garrettgroupllc.com;
David Garrett	DGarrett@resolveuc.com;
Board of County Commissioners of Bernalillo County - THE COUNTY	
Valerie Joe	VJoe@bernco.gov;
Marah deMeule	MDemeule@bernco.gov;
W. Ken Martinez	Kenmartinez@bernco.gov;

Natalia Sanchez Downey	ndowney@bernco.gov;
Bernice Vigil	BVigil@bernco.gov;
Elissia Torres	eltorres@bernco.gov;
Mateo Dunne	mateo@transformconsulting.com;
Maureen Reno	MReno@reno-energy.com;
Center For Biological Diversity - CBD	
Gail Evans	GEvans@biologicaldiversity.org;
Lavran Johnson	LJohnson@biologicaldiversity.org;
Anchun Jean Su	JSu@biologicaldiversity.org;
Howard M. Crystal	HCystal@biologicaldiversity.org;
City of Albuquerque - CITY	
Julie Park	jpark@cabq.gov;
Jennifer Lucero	jenniferlucero@cabq.gov;
Saif Ismail	sismail@cabq.gov;
Coalition For Clean Affordable Energy - CCAE	
Charles de Saillan	Desaillan.ccae@gmail.com;
Cara Lynch	Lynch.Cara.NM@gmail.com;
Don Hancock	sricdon@earthlink.net;
Caitlin Evans	Evans.ccae@gmail.com;
Coalition For Community Solar Access - CCSA	
Jacob Schlesinger	jschlesinger@keyesfox.com;
Alissa Greenwald	AGreenwald@keyesfox.com;
Kevin Cray	kevin@communitysolaraccess.org;
Diné Citizens, Naeva, Sjca, and Tó Nizhóní Aní - COMMUNITY GROUPS	
Kyle J. Tisdell	tisdell@westernlaw.org;
Rose Rushing	rushing@westernlaw.org;
Daniel Timmons	timmons@westernlaw.org;
Robyn Jackson	Robyn.jackson@dine-care.org;
Ahtza Dawn Chavez	ahtza@naeva.org;
Lauren Bernally	lauren@naeva.org;
Rochelle Chavez	rochelle@naeva.org;
Mike Eisenfeld	mike@sanjuancitizens.org;
Nicole Horseherder	nicole@tonizhoniani.org;

Energy, Minerals and Natural Resources Department - EMNRD	
Christopher Hall	Christopher.Hall@emnrd.nm.gov;
Bailey Toolson	Bailey.Toolson@emnrd.nm.gov;
Evan Rogers	Evan.Rogers@emnrd.nm.gov;
Benjamin Shelton	Benjamin.Shelton@emnrd.nm.gov;
Interwest Energy Alliance - INTERWEST	
Joan E. Drake	jdrake@modrall.com;
Chris Leger	chris@interwest.org;
Irion Sanger	irion@sanger-law.com;
Ellie Hardwick	ellie@sanger-law.com;
Dustin Prater	dustin@sanger-law.com;
KROGER	
Kurt J. Boehm	kboehm@bkllawfirm.com;
Jody Kyler Cohn	jkylercohn@BKLawfirm.com;
Justin Bieber	jbieber@energystrat.com;
Laborers' Union Local 16 - UNION	
Stephen Curtice	stephen@youtzvaldez.com;
Allison Keelin	allison@youtzvaldez.com
May Va Lor, LIUNA	mlor@liuna.org;
New Mexico Consumer Protection Alliance - NMCPA	
Jane Yee	Jane.cambio@gmail.com;
Stephen Fischmann	Stephen.fischmann@gmail.com;
Alysha Shaw	info@nmconsumerprotection.org;
New Energy Economy - NEE	
Mariel Nanasi	mnanasi@newenergyeconomy.org;
Christopher Dodd	Chris@doddm.com;
Jim Baker	Jim.Baker@pestakeholder.org;
Alissa Jean Schafer	Alissa.Jean.Schafer@pestakeholder.org;
Nichole Heil	Nichole.Heil@pestakeholder.org;
Mark Ellis	Mark.Edward.Ellis@gmail.com;
NM Department of Justice - NMDOJ	
Brian Harris	BHarris@nm DOJ.gov;
Maria Oropeza	MOropeza@nm DOJ.gov;
Nicole Teupell	NTeupell@nm DOJ.gov;
NM AREA	
Peter J. Gould	peter@thegouldlawfirm.com;

Kelly Gould	kelly@thegouldlawfirm.com;
Joseph Yar	joseph@velardeyar.com;
James R. Dauphinais	jdauphinais@consultbai.com;
Brian Andrews	bandrews@consultbai.com;
Katrina Reid	office@thegouldlawfirm.com;
Shawna Tillberg	shawna@velardeyar.com;
PRC Advocacy Staff - STAFF	
Kaythee Hlaing	Kaythee.Hlaing@prc.nm.gov;
Nicholas Rossi	Nicholas.Rossi@prc.nm.gov;
Bryce Zedalis	Bryce.Zedalis1@prc.nm.gov;
Daren Zigich	Daren.Zigich@prc.nm.gov;
Felicia Jojola	Felicia.Jojola@prc.nm.gov;
Marc Tupler	Marc.tupler@prc.nm.gov;
Chris Sanchez	Chris.Sanchez@prc.nm.gov;
Naomi Velasquez	naomi.velasquez1@prc.nm.gov;
Elizabeth Ramirez	Elizabeth.Ramirez@prc.nm.gov;
Peggy Martinez-Rael	Peggy.Martinez-Rael@prc.nm.gov;
Agata Malek	Agata.Malek@prc.nm.gov;
Elisha Leyba-Tercero	Elisha.leyba-tercero@prc.nm.gov;
Ed Rilkoff	Ed.Rilkoff@prc.nm.gov;
Prosperity Works	
Cara R. Lynch	Lynch.Cara.nm@gmail.com;
Ann Lyn Hall	Annlyn@prosperityworks.net;
TXNM and PNM	
Stacey J. Goodwin	Stacey.Goodwin@txnmenergy.com;
Raymond L. Gifford	RGifford@wbklaw.com;
Debrea M. Terwilliger	DTerwilliger@wbklaw.com;
Brian Iverson	Brian.Iverson@txnmenergy.com;
Henry Monroy	Henry.Monroy@txnmenergy.com;
Justin Rivord	Justin.Rivord@pnm.com;
Kyle Sanders	Kyle.Sanders@txnmenergy.com;
Lisa Contreras	Lisa.Contreras@pnm.com;
Adam Alvarez	Adam.Alvarez@pnm.com;
PNM Regulatory	PNMregulatory@pnm.com;
Troy Parentco, LLC Blackstone Infrastructure	
Thomas M. Domme	TMD@jkwlawyers.com;
Brian J. Haverly	BJH@jkwlawyers.com;

Julianna T. Hooper	JTH@jkwlawyers.com;
Brooksany Barrowes	Brooksany.barrowes@kirkland.com;
Anna Rotman	Anna.rotman@kirkland.com;
Max A. Wade	Max.Wade@Blackstone.com;
Blackstone Infrastructure	BlackstoneInfrastructureKE@kirkland.com;
Renewable Energy Industries of New Mexico - REIA- NM	
Stephanie Dzur	Stephanie@Dzur-Law.com;
Jim DesJardins	Jimdesjardins1@gmail.com;
Dylan Connelly	Dylan.Connelly@affordable-solar.com;
WALMART	
Julie A. Clark	JClark@clarkenergylaw.com;
Jaime McGovern	Jaime.McGovern@walmart.com;
Western Resource Advocates - WRA	
Cydney Beadles	Cydney.Beadles@westernresources.org;
Caitlin Evans	Caitlin.Evans@westernresources.org;
AnnaLinden Weller	Annalinden.Weller@westernresources.org

DATED this 16th day of January, 2026.

NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ LaurieAnn Santillanes, electronically signed
LaurieAnn Santillanes, Paralegal