

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF PUBLIC SERVICE COMPANY )</b>	
<b>OF NEW MEXICO’S APPLICATION FOR )</b>	
<b>APPROVAL OF TWO ECONOMIC DEVELOPMENT )</b>	
<b>PROJECTS AND ISSUANCE OF AN ACCOUNTING )</b>	
<b>ORDER GOVERNING THE TREATMENT OF COSTS )</b>	<b>Docket No. 25-00088-UT</b>
<b>RELATED TO THOSE PROJECTS )</b>	
<b>)</b>	
<b>PUBLIC SERVICE COMPANY OF NEW MEXICO, )</b>	
<b>)</b>	
<b>Applicant )</b>	

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**PUBLIC SERVICE COMPANY OF NEW MEXICO’S NOTICE OF ERRATA TO  
PNM EXHIBIT AJA-3 OF THE DIRECT TESTIMONY OF ADAM J. ALVAREZ**

Public Service Company of New Mexico (“PNM”), pursuant to 1.2.2.37(G)(2) NMAC, hereby provides this notice of correction to PNM Exhibit AJA-3 of the Direct Testimony of Adam J. Alvarez, filed on December 29, 2025. Pages 7 and 8 were incorrectly included in PNM Exhibit AJA-3, PNM’s 440 Filing No. 1329 for the Mesa del Sol project. However, PNM did submit the correct form in PNM’s 440 filing No. 1329.

The correct 440 filing has been included as Attachment A. Wherefore, PNM asks that the Commission, Staff and other parties to this proceeding take note of these corrections going forward.

Respectfully submitted this 14th day of January 2026.

**PUBLIC SERVICE COMPANY OF NEW MEXICO**

*/s/ John Verheul*

\_\_\_\_\_  
Stacey J. Goodwin – Associate General Counsel  
John Verheul, Corporate Counsel  
Corporate Headquarters – Legal Department

Albuquerque, NM 87102  
Phone: 505-241-4927  
505-241-4864  
[Stacey.Goodwin@txnmenergy.com](mailto:Stacey.Goodwin@txnmenergy.com)  
[John.Verheul@txnmenergy.com](mailto:John.Verheul@txnmenergy.com)

*Attorneys for Public Service Company of New Mexico*

GCG#534545

PNM 440 Filing No. 1329, Mesa del Sol

# PNM Exhibit AJA-3 (Corrected)

Is contained in the following 8 pages.



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**[EXTERNAL] 2025-12-29 PNM's Rule 440 Filing No. 1329 Mesa del Sol**

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**From** Maestas, Laura <Laura.Maestas@pnm.com>

**Date** Mon 12/29/2025 1:54 PM

**To** Records, PRC, PRC <PRC.Records@prc.nm.gov>

**Cc** Aguilera, Gabriel , PRC <gabriel.aguilera@prc.nm.gov>; O'Connell, Pat , PRC <Pat.OConnell@prc.nm.gov>; Nibert, Greg, PRC <greg.nibert@prc.nm.gov>; Dasheno, Gabriella, PRC <Gabriella.Dasheno@prc.nm.gov>; Khoury, Cholla , PRC <cholla.khoury@prc.nm.gov>; Kerolle, McLee , PRC <mcllee.kerolle@prc.nm.gov>; Fillion, Kai , PRC <kai.fillion@prc.nm.gov>; Magofna, Angelah, PRC <angelah.magofna@prc.nm.gov>; Baca, Jennifer, PRC <Jennifer.Baca@prc.nm.gov>; Sidler, Jack, PRC <Jack.Sidler@prc.nm.gov>; Sanders, Kyle <Kyle.Sanders@txnmenergy.com>; Alvarez, Adam <Adam.Alvarez@pnm.com>; Williams, Laurie A. <Laurie.Williams@txnmenergy.com>

 1 attachment (12 MB)

2025-12-29 PNM Rule 440 Filing No. 1329.pdf;

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good Afternoon,

Please see the attached document for PNM's Rule 17.5.440 NMAC Form filing No. 1329 – Mesa del Sol

Pursuant to 17.5.440.8C(4)NMAC, this filing is also being sent to the Commission considering the Mesa del Sol project exceeds \$8.0M on a total company basis.

Thank you,

Laura

Laura Maestas  
Regulatory Project Manager II  
FERC Compliance  
PNM, 414 Silver Ave SW, Albuquerque, NM 87102-0605  
505-241-2647  
[Laura.maestas@pnm.com](mailto:Laura.maestas@pnm.com)



December 29, 2025

Ms. Melanie Sandoval  
Records Bureau Chief  
New Mexico Public Regulation Commission  
Prc.records@prc.nm.gov

Subject: NMPRC Rule 440  
Filing No. 1329  
Mesa del Sol Project

Dear Ms. Sandoval,

Attached for filing with the New Mexico Public Regulation Commission (“Commission” or “NMPRC”) is Public Service Company of New Mexico’s (“PNM” or “Company”) 17.5.440 NMAC Form Filing No. 1329 for a project that will provide incremental capacity or serve incremental load growth within Mesa del Sol, a site recently certified by the New Mexico Economic Development Department (“Economic Development Department”) that meets the criteria set forth in Section 62-6-26(F). The project includes the new Sol Substation, expansion of the Studio Substation, rebuild of the Prosperity to Studio transmission line to higher capacity, and new 115 kV connections to the Sandia Substation located in Albuquerque, New Mexico (“Project”). The Project, as further described below, meets the requirements of 17.5.440.7(B) and 8 NMAC and Subsection E of Section 62-6-26 NMSA 1978. Further, pursuant to 17.5.440.8(C)(4) NMAC, this filing is also being sent to the Commissioners because the Project exceeds \$8 million on a total Company basis. Prior to this filing, PNM met with Utility Division Staff to discuss this project in detail.

Due to character and formatting limitations of the Commission’s 440 Form, PNM is including additional information in this cover letter.

**PURPOSE SOUGHT TO BE ACCOMPLISHED BY THIS UNDERTAKING**

On November 25, 2025, Mesa del Sol received an Economic Development Site Certification from Cabinet Secretary Rob Black of the Economic Development Department pursuant to Subsection F of Section 62-6-26 NMSA 1978 (“Site Certification”) that was enacted by Senate Bill 170 (2025).

Mesa del Sol is a planned community intended to provide numerous opportunities for greenfield economic development and expansion projects to support ongoing residential and mixed-use development in the area. A 500-acre industrial site and Employment Center within the community is frequently included in requests for information from economic development organizations. PNM has previously referenced this growth in Rule 440 filing Nos. 1255 (Sagebrush Substation)

and 1262 (Prosperity Substation), as well as PNM's presentations and responses to bench requests in Docket No. 24-00257-UT.<sup>1</sup>

The Project is in response to the Site Certification and supports economic development in the area by expanding PNM's transmission and distribution infrastructure to meet growing customer demand and future high-load interconnections. The Project improvements will enhance system reliability and enable timely power delivery to respond to industrial and large-scale manufacturing opportunities whose potential loads range in size from 1 MW to 1 GW.

## **DESCRIPTION OF FACILITIES AND ESTIMATED PROJECT COST**

Key components of the multi-phase project are:

Studio Unit 2 Expansion – Consists of the addition of one 115/12.47 kV 33 MVA transformer to the existing Studio Unit Substation to increase distribution load-serving capacity in the area. The project also includes installing a new 115 kV breaker to separate both unit sub transformers and provide transmission line sectionalization to improve reliability. The project requires a new control enclosure and expansion of the existing walled substation footprint. Long-lead materials are assumed available, with control enclosure delivery targeted for September 2026 to meet a December 2026 in-service date.

Prosperity Substation to Studio Substation 115 kV Transmission Line Rebuild – Consists of increasing the capacity of the existing Prosperity to Studio radial 115 kV line to 350 MVA. Existing plan assumes reuse of existing structures through either the installation of a second circuit connected in parallel as a “bifurcated” line or reconductoring using an advanced transmission line conductor.

Studio Substation to Sol Substation Line and Sol Substation to Sandia Substation Line – Consists of a new 115 kV 350 MVA high-capacity 115 kV line between PNM's existing Studio Substation to the new Sol 115 kV Station, then continues to the Sandia Substation providing looped transmission service through the area. The Transmission line route has been identified, and PNM is working to secure rights of way.

Sol Substation – Is a greenfield three-breaker ring, 115 kV station. It will serve as the point for interconnection of potential large customers and can provide service for additional distribution load.

Sandia Substation - Consists of the expansion of the existing Sandia 115 kV station for connection of the new line to the Sol substation.

The table on the following page provides a detailed description of the components of the project, including estimated cost.

<sup>1</sup> Docket No. 24-00257-UT, In Matter of an Inquiry Regarding Grid Readiness and Economic Development. See *PNM's Response to Order Opening and Requiring Responses to Bench Request*, pp. 7-8 (November 4, 2024); PNM's Presentation at NMPRC Workshop (February 13, 2025); and PNM's Response to Third Bench Request (August 1, 2025, and Supplemental Response on October 15, 2025).

Equipment	Description	Cost Estimate
115/15 kV Power Transformer	Power Transformer from Transmission to Distribution at Studio	\$2,570,973
15 kV Switchgear	Studio Switchgear for the planned future 15kV feeders leaving Studio	\$1,200,000
115 kV Breakers	Breakers for Studio, Sol, and Sandia	\$544,000
Control Enclosure	Control Enclosure for Studio's new 115kV Breaker and Sol Substation	\$2,500,000
SSVT Station Service	Stations Service Voltage Transformer for Studio and Sol Substation	\$153,819
CVT	Capacitive Voltage Transformer	\$64,863
	Additional Material, Labor, Equipment Cost	\$87,704,637
	Land Contract Misc Cost	\$2,437,407
	Overhead Cost	\$23,293,204
	<b>Total</b>	<b>\$120,468,903</b>

### **ORDINARY COURSE OF BUSINESS**

This project is within the ordinary course of business because it is necessary to serve anticipated load growth in PNM's service area and enables incremental capacity or serves incremental load growth within the Site Certification service area. The undertaking qualifies under Rule 440 as a system improvement with transmission/distribution extensions exceeding \$1 million, for which PNM intends to seek rate recovery in a future general rate case proceeding. See 17.5.440.7(B) and 17.5.440.8(A)(1)(b) NMAC; NMSA 1978, Section 62-6-26(E).

The estimated cost of the project, while significant, reflects the current costs for planning, designing, and expanding existing substations to accommodate committed customer load and future load growth. Cost, by itself, does not determine ordinary-course status under Section 62-9-1; the estimate reflects typical substation expansion costs necessary to support future load

growth and economic development. PNM has historically filed 440 filings for similar size and scope projects.<sup>2</sup>

### **REASONABLE ALTERNATIVES**

To provide safe, reliable service for new and expanding customers and to enable economic development, the expansion of two existing substations and construction of a new substation with looped 115 kV service is the only reasonable way to respond to the Site Certification requirements, which are to increase local grid capacity and resiliency in that service area. The existing Studio Substation cannot meet the required capacity and reliability needs.

Without incremental capacity, PNM may be unable to meet the expectations of the Site Certification, which could discourage future economic growth and increase the cost of delivering infrastructure to customers. Overall, the project supports anticipated economic development, improves system reliability and resilience, and adds capacity for future load growth.

### **CONCLUSION**

The construction of the Project is necessary to respond to the Economic Development Department's recent Site Certification and the expected load growth and the need to add capacity to the local system to serve current and future customers. Interconnection of area substations is necessary to ensure safe and reliable electric service. Constructing the project is consistent with good utility practices and will ensure continued reliable service to existing and future customers in the Mesa del Sol area. The project's estimated cost is approximately \$120,468,903.

Thank you for your assistance in this matter.

*/s/ Laura M. Maestas*

Laura M. Maestas

Project Manager II

PNM Regulatory Policy and Case Management

505-241-2647

Cc: Chair Gabriel Aguilera-NMPRC  
Commissioner Patrick O'Connell-NMPRC  
Commissioner Greg Nibert-NMPRC  
Gabriella Dasheno-NMPRC Staff  
Cholla Khoury – NMPRC Chief of Staff  
McLee Kerolle-NMPRC Advisor  
Kai Filion-NMPRC Advisor  
Angelah Magofna – NMPRC Advisor  
Jennifer Baca-NMPRC  
Jack Sidler-NMPRC Staff  
Kyle Sanders-PNM

<sup>2</sup> See NMPRC Rule 440 Filing Nos. 1089 (Pachman Switching Station to Progress Substation 115 kV line), 1167 (Rio Puerco-Progress approximately 8 miles of 115 kV line), 1190 (College Substation 115 kV), 1224 (Transmission System Upgrades in Valencia County), 1255 (Sagebrush Substation 115 kV), and 1262 (Prosperity Substation).

Adam Alvarez-PNM  
Laurie Williams-PNM

*GCG#534478*

# NMPRC RULE 17.5.440 FORM

**DATE FILED:**

**EMERGENCY UNDERTAKING:**  
see 17.5.440.8(C) NMAC

**440 NUMBER:**

**AMENDS 440 no.:**  
see 17.5.440.8(D) NMAC

**UTILITY NAME:**

**NEAREST UTILITY NAME/DISTANCE:**

**COUNTY:**

**UNDERTAKING START DATE:**

**SAFE HARBOR FROM RULE 592:**  
see 17.5.440.8(A)(1)(e) NMAC

**COMMISSIONER NOTIFICATION:**  
see 17.5.440.8(C)(4) NMAC

## ENGINEERING DATA

**EXTENSION LENGTH:**

**VOLTAGE:**

**PHASE:**

**TRANSFORMER/GENERATOR SIZE:**

**CONNECTION:**

## COST DATA

**TRANSFORMER COSTS:**

**OVERHEAD COSTS:**

**MATERIAL, LABOR, EQUIPMENT COSTS:**

**LAND, CONTRACT, MISC COSTS:**

**TOTAL PROJECT COSTS:**  
see 17.5.440.8(D) NMAC

**ESTIMATED**

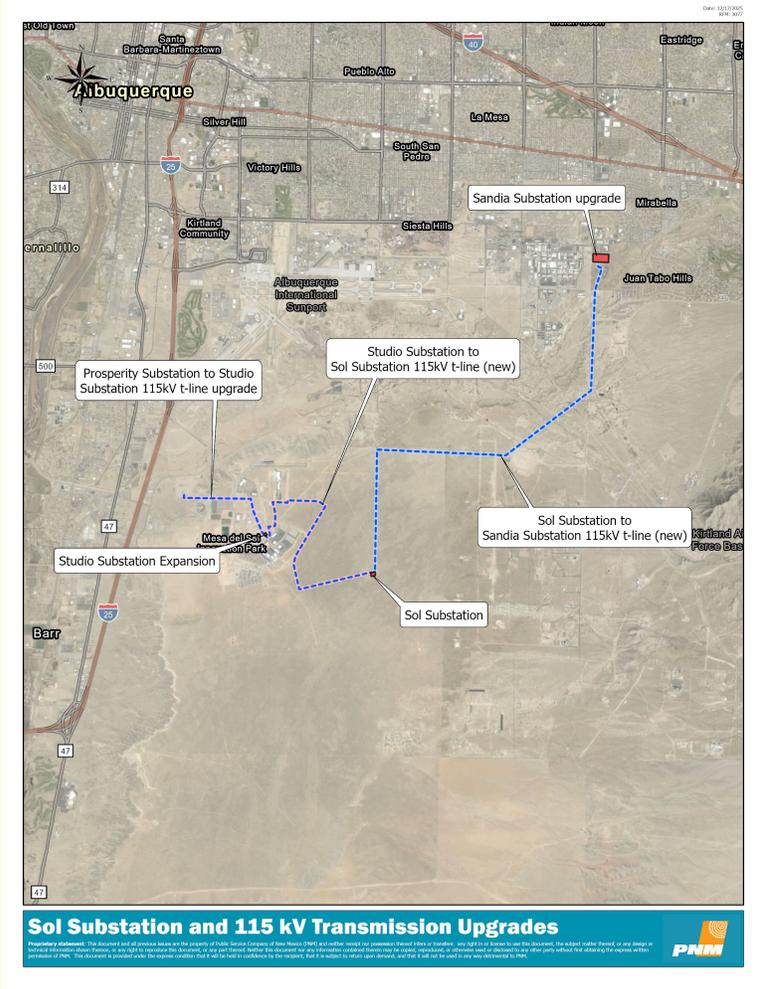
**AMENDED**

**ACTUAL**

**UNDERTAKING PURPOSE/JUSTIFICATION:**  
see 17.5.440.8(A)(1) NMAC

UNDERTAKING LOCATION/DESCRIPTION:

MAP:



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)  
)  
**PUBLIC SERVICE COMPANY OF NEW MEXICO, )  
)  
)  
Applicant )****

**Docket No. 25-00088-UT**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the **Public Service Company of New Mexico’s Notice of Errata to PNM Exhibit AJA-3 of the Direct Testimony of Adam J. Alvarez** was emailed to parties listed below on January 14, 2026:

<b>PRC Records Management Bureau</b>	Prc.records@prc.nm.gov;
<b>PRC General Counsel</b>	
Alejandro Rettig y Martinez	Alejandro.martinez@prc.nm.gov;
Robert Lundin	robert.lundin@prc.nm.gov;
Scott Cameron	Scott.cameron@prc.nm.gov;
<b>ABCWUA</b>	
Christopher Melendez	cmelendrez@abcwua.org;
Dahl Harris	dahlharris@hotmail.com;
Keith Herrmann	kherrmann@stelznerlaw.com;
L. Erica Flores	eflores@stelznerlaw.com;
Nann M. Winter	nwinter@stelznerlaw.com;
<b>BERNALILLO COUNTY</b>	
Bernie Vigil	bvigil@bernco.gov;
Matt Dunne	Mateo@transformconsulting.com;
Marah deMeule	mdemeule@bernco.gov;
Maureen Reno	mreno@reno-energy.com;
Natalia Sanchez Downey	ndowney@bernco.gov;
Valerie Joe	vjoe@bernco.gov;
W. Ken Martinez	Kenmartinez@bernco.gov;
<b>CITY OF ALBUQUERQUE</b>	
Brent Chapman	bchapman@cabq.gov;
Bryan Rowland	browland@cabq.gov;
Jennifer Lucero	jenniferlucero@cabq.gov;
Larry Blank	lb@tahoeconomics.com;

<b>CCAЕ</b>	
Cara Lynch	Lynch.Cara.NM@gmail.com;
Caitlin Evans	Evans.ccae@gmail.com;
Charles de Saillan	desaillan.ccae@gmail.com;
Don Hancock	sricdon@earthlink.net;
<b>COALITION FOR COMMUNITY SOLAR ACCESS (CCSA)</b>	
Kevin Cray	kevin@communitysolaraccess.org;
Nick Bowman	nick@communitysolaraccess.org;
Stephanie Dzur	Stephanie@Dzur-Law.com;
<b>ECOMAXSOLAR</b>	
Brian Harris	brianhatterney@gmail.com;
Rocky Baccus	rockybacchus@gmail.com;
<b>KROGER</b>	
Jody Kyler Cohn	jkylercohn@BKLawfirm.com;
McKenzie St. Denis	mckenzie@legalsolutionsofnm.com;
Justin Bieber	jbieber@energystrat.com;
Kurt J. Boehm	kboehm@bkllawfirm.com;
<b>NEE</b>	
Christopher Sandberg	cksandberg@mac.com;
Mariel Nanasi	mnanasi@newenergyeconomy.org;
Stephanie Dzur	Stephanie@dzur-law.com;
<b>NMDOJ</b>	
Andrea Crane	ctcolumbia@aol.com;
Doug Gegax	dgegax@nmsu.edu;
Evan Crocker	Ecrocker@nm DOJ.gov;
Gideon Elliot	GElliot@nm DOJ.gov;
Maria Oropeza	MOropeza@nm DOJ.gov;
Nicole Teupell	NTeupell@nm DOJ.gov;
<b>NM AREA</b>	
Brian Andrews	bandrews@consultbai.com;
James R. Dauphinais	jdauphinais@consultbai.com;
Katrina Reid	office@thegouldlawfirm.com;
Kelly Gould	kelly@thegouldlawfirm.com;
Peter J. Gould	peter@thegouldlawfirm.com;
<b>ONWARD ENERGY HOLDINGS, LLC</b>	
Jeffery Spurgeon	Jeffrey.spurgeon@onwardenergy.com;
Joesph Yar	joseph@velardeyar.com;
Ryan Keefe	ryan.keefe@onwardenergy.com;
Shawna Tillberg	shawna@velardeyar.com;
<b>PRC ADVOCACY STAFF</b>	
Agata Malek	agata.malek@prc.nm.gov;

Bryce Zedalis	bryce.zedalis1@prc.nm.gov;
Christopher Dunn	Christopher.Dunn@prc.nm.gov;
Daren Zigich	daren.zigich@prc.nm.gov;
Ed Rilkoff	ed.rilkoff@prc.nm.gov;
Edison Jimenez	Edison.Jimenez@prc.nm.gov;
Elisha Leyba-Tercero	Elisha.leyba-tercero@prc.nm.gov;
Elizabeth Ramirez	Elizabeth.Ramirez@prc.nm.gov;
Gabriella Dasheno	gabriella.dasheno@prc.nm.gov;
Jack Sidler	Jack.Sidler@prc.nm.gov;
John Bogatko	john.bogatko@prc.nm.gov;
Jonah Mauldin	Jonah.Mauldin@prc.nm.gov;
Marc Tupler	Marc.tupler@prc.nm.gov;
Naomi Velasquez	naomi.velasquez1@prc.nm.gov;
Nicholas Rossi	nicholas.rossi@prc.nm.gov;
Peggy Martinez-Rael	Peggy.Martinez-Rael@prc.nm.gov;
Ryan Friedman	Ryan.Friedman@prc.nm.gov;
<b>PNM</b>	
Christopher Atencio	christopher.atencio@txnmenergy.com;
Debra Terwilliger	dterwilliger@wbklaw.com;
John Verheul	john.verheul@txnmenergy.com;
Kyle Sanders	Kyle.sanders@txnmenergy.com;
Adam Alvarez	Adam.Alvarez@pnm.com;
Laura Maestas	Laura.maestas@pnm.com
Lisa Contreras	Lisa.Contreras@pnm.com;
PNM Regulatory	pnmregulatory@pnm.com;
Raymond L. Gifford	rgifford@wbklaw.com;
Rick Alvidrez	ralvidrez@mstlaw.com;
Stacey Goodwin, Esq.	stacey.goodwin@txnmenergy.com;
<b>REIA</b>	
Adam Harper	adamh@oesolar.com;
Debra Doll	oceanblu62@gmail.com;
Dylan Connelly	Dylan.connelly@affordable-solar.com;
Jim DesJardins	Jimdesjardins1@gmail.com;
<b>WALMART</b>	
Julie A. Clark	jclark@clarkenergylaw.com;
Steve W. Chriss	Stephen.chriss@walmart.com;
Jaime McGovern	Jaime.McGovern@walmart.com;
<b>WRA</b>	
Cydney Beadles	Cydney.Beadles@westernresources.org;
Caitlin Evans	caitlin.evans@westernresources.org;

Dated this 14<sup>th</sup> day of January, 2026.

By: /s/ Laura M. Maestas  
Laura M. Maestas, Project Manager II  
PNM Regulatory Policy & Case Management  
Public Service Company of New Mexico

GCG#534546