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February 25, 2026

Via PRCe360 e-Filing & Case Management System

Ms. Melanie Sandoval
Records Bureau Chief

Subject: Public Service Company of New Mexico's Application for a Certificate of Public Convenience and Necessity to Construct, Own, and Operate the Rio Puerco to Pajarito to Prosperity 345 kV Transmission Project and Commission Approval of a Right-of-Way Width of 150 Feet

Dear Ms. Sandoval:

Public Service Company of New Mexico ("PNM") hereby files for Commission approval of a Certificate of Public Convenience and Necessity ("CCN") to construct, own and operate three segments of transmission line connecting between the Rio Puerco to Pajarito to Prosperity 345 kV stations in the Albuquerque area and to expand and upgrade the related station facilities (the "Project"). The Project will also require Commission approval of a Right-of-Way width of 150 feet. This filing includes the direct testimony and exhibits of six PNM witnesses and contains the following components:

- Executive Summary
- Application
- Proposed Form of Notice
- Compliance Matrix
- Direct Testimony and Exhibits of Adam J. Alvarez, Erfan Hakimian, Julia L. Munoz, Adam K. McClellan, Cathy Newby, and Leslie M. Watson.

This application will be emailed to parties in Docket Nos. 24-00089-UT and 18-00243-UT. PNM respectfully requests that the Commission issue a final order within six months of the Application's filing, and no later than the nine months provided by the CCN statute.

This application is being electronically filed and a check in the amount of \$25.00 for this application will be mailed to the NMPRC. A copy of the check will be emailed to PRC Records separately.

If you have any questions, please contact me at 505-241-2647 or at laura.maestas@pnm.com.

Respectfully submitted,

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/s/ Laura M. Maestas

Laura M. Maestas

Project Manager II - Regulatory Policy and Case Management

CC: Certificate of Service for Docket Nos. 24-00089-UT and 18-00243-UT

GCG#534818

PUBLIC SERVICE COMPANY OF NEW MEXICO
NMPRC DOCKET NO. 26-00000__
EXECUTIVE SUMMARY

Public Service Company of New Mexico (“PNM”) is filing an application with the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) for approval to construct, own and operate three new segments of transmission line connecting the Rio Puerco to Pajarito to Prosperity 345 kV stations in the Albuquerque area and to expand and upgrade the related station facilities (the “Project”). PNM is requesting that the Commission issue a certificate of convenience and necessity (“CCN”) for the Project pursuant to NMSA 1978, Section 62-9-1 and also authorize a right-of-way (“ROW”) width of 150 feet, greater than 100 feet pursuant to NMSA 1978, Section 62-9-3.2 (collectively, the “Application”).

PNM’s transmission system is at an inflection point. Targeted capacity additions and infrastructure upgrades are needed to maintain today’s reliable service and strengthen resilience as customer demand grows and the resource mix evolves. Approval of the Project will deliver substantial public benefits, including:

- **Improved Grid Reliability and Resilience:** Reinforces the transmission backbone, improving system stability and service reliability.
- **Support for Carbon-Free Generation:** Enables integration of renewable resources, advancing state clean energy goals and providing a path to reduce reliance on load-side gas generation.
- **Economic Development Opportunities:** Facilitates service to new commercial and industrial loads, attracting investment and fostering statewide economic growth.

The Project is a foundational component of PNM’s long-term transmission plans, which is intended to transition PNM’s transmission planning from incremental, piecemeal upgrades toward a forward-looking expansion strategy. This Project not only addresses the need for expanded transmission capability but also facilitates vital maintenance and modernization of aging assets without compromising current service. The Project consists of the following:

- Construction of a new 345 kV transmission line connecting PNM’s Rio Puerco (Northwest of Rio Rancho) and Pajarito (Southwest Albuquerque) 345 kV stations (approximately 35 miles);
- Expansion of the Rio Puerco and Pajarito 345 kV stations to accommodate the new 345 kV transmission line terminations;
- Within the existing Prosperity station boundaries, constructing a 345 kV station with a four (4) breaker ring configuration (expandable to breaker-and-a-half), which will include 345/115 kV transformation;
- An approximately 0.47-mile transmission line extension linking an existing 345 kV line from Pajarito to the new Prosperity 345 kV station; and
- Connecting the existing 345 kV Pajarito-Sandia line into the Prosperity station (approximately 0.38 miles of new line).

PNM requests that if there are no protests filed within 60 days, that the Commission act within six months and by no later than the nine-month deadline under Section 62-9-1 and approve the Application and grant the necessary authorizations. PNM is not seeking a determination of the ratemaking principles and treatment to be applied to the Project in this case. Instead, PNM will

PUBLIC SERVICE COMPANY OF NEW MEXICO
NMPRC DOCKET NO. 26-00000__
EXECUTIVE SUMMARY

request ratemaking treatment for the costs of the Project in a future general rate case. The estimated project costs are approximately \$247 million. PNM also does not seek location approval pursuant to Section 62-9-3 because the transmission lines and facility upgrades and expansions are not associated with the construction of any new generating facilities for which approval is required by Section 62-9-3(B).

GCG#534817

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE COMPANY OF)
NEW MEXICO’S APPLICATION FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY TO)
CONSTRUCT, OWN AND OPERATE THE RIO PUERCO)
TO PAJARITO TO PROSPERITY 345 KV)
TRANSMISSION PROJECT)**

Docket No. 26-00000__

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

APPLICATION

Public Service Company of New Mexico (“PNM”) hereby submits its Application for approval of 345 kV transmission line and associated facilities (“Application”) to construct, own and operate three new segments of transmission line connecting between the Rio Puerco to Pajarito to Prosperity 345 kV stations in the Albuquerque area and to expand and upgrade the related station facilities (the “Project”). Because the transmission capacity serving the Albuquerque area has reached a critical capacity point, the Project is needed to strengthen system reliability, support load growth, enable renewable integration into the PNM system, and lay the groundwork for future grid expansions. The Project is a foundational component of PNM’s long-term transmission plans, which is intended to transition PNM’s transmission planning from incremental, piecemeal upgrades toward a forward-looking expansion strategy.

PNM requests that the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) grant a Certificate of Public Convenience and Necessity (“CCN”) pursuant to NMSA 1978, Section 62-9-1 for the Project. PNM also requests that the Commission authorize a right-of-way (“ROW”) width of 150 feet, greater than 100 feet, for the Project pursuant to NMSA 1978, Section 62-9-3.2. PNM does not seek a determination of the ratemaking principles and

treatment to be applied to the Project in this case. Instead, PNM will request ratemaking treatment for the costs of the Project in a future general rate case. PNM also does not seek location approval pursuant to NMSA 1978, Section 62-9-3, because the transmission lines and facility upgrades and expansions are not associated with the construction of any new generating facilities for which approval is required by NMSA 1978, Section 62-9-3(B).¹

In support of the Application, PNM states the grounds for approval below, which are supported by direct testimony and exhibits. An index to the materials detailing PNM's compliance with the requirements for the requested approvals is provided in Attachment 2 to this Application.

I. DESCRIPTION OF PROJECT AND REQUIRED APPROVALS

1. PNM is a New Mexico corporation that owns, operates and controls public utility plant, property and facilities that provide retail and wholesale electric services in New Mexico. PNM is a public utility as defined in NMSA 1978, Section 62-3-3, and is subject to the jurisdiction of the Commission pursuant to the Public Utility Act (“PUA”) as codified in Chapter 62 of the New Mexico Statutes.

2. The Project is designed to construct three new segments of 345 kV transmission lines running between three existing transmission stations on the west and south side of Albuquerque, New Mexico, and associated facilities. The Project will cost approximately \$247 million (including approximately \$23 million allowance for funds used during construction (“AFUDC”)) and consists of the following components:

- Construction of a new 345 kV transmission line connecting PNM’s Rio Puerco and Pajarito 345 kV stations (approximately 35 miles);
- Expansion of Rio Puerco and Pajarito 345 kV stations to accommodate the new 345 kV transmission line terminations;

¹ NMSA 1978, § 62-9-3(B) (2005) (“For the purposes of this section, ‘transmission line’ means any electric transmission line and associated facilities designed for or capable of operations at a nominal voltage of two hundred thirty kilovolts or more, **to be constructed in connection with and to transmit electricity from a new plant for which approval is required.**”) (Emphasis added).

- Within the existing Prosperity station boundaries, construction of a 345 kV station with a four (4) breaker ring configuration (expandable to breaker-and-a-half), which will include 345/115 kV transformation;
- Construction of an approximately 0.47-mile transmission line extension linking an existing 345 kV line from Pajarito to the new Prosperity 345 kV station; and
- Connection of the existing 345 kV Pajarito-Sandia line into the Prosperity station (approximately 0.38 miles of new line).

The new transmission lines and expansions and upgrades to the existing stations will increase reliability and allow for expansion of loads throughout the Albuquerque metropolitan area, all as described in the supporting direct testimonies and exhibits included with the Application.

3. The Project is critical to system operations because it will increase the transmission capacity, provide needed grid redundancy, and enable necessary maintenance and upgrades to the infrastructure in the area. In addition to providing necessary infrastructure for existing system and customer needs and already forecasted load growth, the Project will support economic development in the metropolitan area.

4. The Project will facilitate the use of a higher percentage of renewable energy to serve load in the Albuquerque metro area, while also providing a path to reduce reliance on load-side gas generation which has historically served that load.

5. The following witnesses provide testimonies and exhibits in support of the Application. The testimonies and exhibits are incorporated by reference herein.

- a. Adam J. Alvarez, PNM Director of Regulatory Policy and Case Management, who addresses the statutory and regulatory framework for PNM's Application;
- b. Erfan Hakimian, Director of Transmission/Distribution Planning and Contracts, whose testimony supports approval of the Project from a systems and engineering planning perspective;

- c. Julia L. Munoz, Engineer IV, who provides the Professional Engineer-stamped engineering calculations and drawings supporting the 150-foot ROW width;
- d. Adam McClellan, Senior Manager of Land Services, who addresses the 150-foot ROW necessary to construct the Project from a lands perspective by presenting the required land permits, discussing the status of PNM's negotiations to obtain land, and non-Tribal stakeholder outreach and engagement;
- e. Cathy Newby, Director of Tribal Government and Customer Engagement, who discusses Tribal outreach and engagement; and
- f. Leslie Watson, Environmental Planning and Permit Project Manager, who addresses the environmental studies conducted for the Project and the best management practices PNM will use during project construction and operation.

6. Section 62-9-1 of the PUA (the "CCN Statute") requires public utilities to obtain a CCN from the Commission prior to beginning the construction, operation or extension of any public utility plant or system, outside the ordinary course of business. Historically, the Commission has required a CCN for the construction of 345 kV transmission lines. The CCN Statute provides for a determination within nine months, unless the deadline is extended for good cause by the Commission for no more than six additional months.

7. Section 62-9-3.2 (the "ROW Statute") requires that a utility obtain a determination from the Commission of the necessary ROW width to construct and maintain line if the proposed width is greater than one hundred feet and unless otherwise agreed to by the parties. The ROW Statute requires a final decision to be issued within six months of filing an application for a ROW determination.

8. The Project also meets the purposes set forth in Section 62-6-26 (2025) of the PUA (“Econ Dev Statute”), which allows public utilities to develop economic development projects to provide incremental capacity within the economic development project’s service area, where the Economic Development Department has certified that the economic development project will support reasonably anticipated economic development within the state. The Econ Dev Statute modifies the CCN Statute’s deadline for action by requiring a final decision within six months, unless extended for good cause by three additional months. Although PNM has received the appropriate certification from the Economic Development Department, the Project is necessary regardless of economic development opportunities that may be generated by the addition of transmission capacity. Therefore, PNM is seeking approval of the Project pursuant to the CCN Statute rather than in accordance with criteria for economic development projects established in Section 62-6-26(E).

9. No Commission approval is required under the provisions of Section 62-9-3 (the “Location Statute”). The Project is not being constructed in connection with and to transmit electricity from a new generation plant for which location approval is necessary. Therefore, the Location Statute standards and statutory deadline for action are not relevant.

10. PNM is anticipating the Project would come online for service by no later than Q1 2029. Recent experience has shown that long-lead equipment, permitting and construction schedules are lengthy. A prompt review and final decision by the Commission is important in order to timely begin construction of the Project, if approved. Therefore, PNM requests that the Commission make reasonable efforts to issue a final decision within six months of the Application’s filing, and no later than the nine months provided by the CCN statute.

II. NOTICE AND PROCEDURAL MATTERS

1. PNM's proposed form of Notice is attached to the Application as Attachment 1. PNM will publish the approved Notice as may be issued by the Commission in the manner so directed.

2. PNM has served a copy of this Application and supporting pre-filed direct testimony on the New Mexico Attorney General, the Commission's Utility Division Staff, and parties to Case No. 24-00089-UT (PNM's most recent general rate case) and Case No. 18-00243-UT (PNM's previous CCN application for a 345 kV transmission project).

3. Given that the relevant statutes provide for final decisions within six or nine months from the date an application is filed, PNM respectfully requests that the Commission establish a procedural schedule that reasonably would allow for a final decision within six months and, if otherwise necessary to accommodate the Commission's requirements, within nine months from filing.

4. The following designated corporate representatives and legal counsel for PNM should receive all notices, discovery requests, objections and responses, briefs, and all other documents related to this case:

John Verheul
Corporate Counsel
Stacey J. Goodwin
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All pleadings, correspondence and other documents should also be delivered electronically to the following email addresses: Laura Maestas, laura.maestas@pnm.com; and PNM Regulatory Department, pnmregulatory@pnm.com.

WHEREFORE, PNM respectfully requests that the Commission issue a notice of this proceeding, conduct all necessary hearings in accordance with pertinent statutory deadlines and to reach a final decision within six to nine months from the filing date of this Application. PNM asks the Commission to approve the Application and among other things determine that:

A) PNM's request for regulatory approval of the Project is reasonably necessary to provide reliable service to customers, will support economic development, and is in the public interest, and therefore a CCN should be granted pursuant to the CCN Statute;

B) PNM's request for a ROW width of greater than 100 feet, specifically 150 feet, is necessary to construct and maintain the Project;

C) Any ratemaking principles and cost recovery matters are deferred to a future general rate case; and

D) PNM should be granted any other such authorizations necessary to implement the proposed actions in accordance with the requirements of the Public Utility Act and any other applicable Commission rules.

Respectfully submitted this 25th day of February 2026.

PUBLIC SERVICE COMPANY OF NEW MEXICO

/s/ John Verheul

Stacey Goodwin

Associate General Counsel

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PNMR Services Company

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GCG#534820



NOTICE TO PNM CUSTOMERS

Public Service Company of New Mexico (PNM) has filed an application requesting issuance of a Certificate of Public Convenience and Necessity (CCN) to construct, own and operate three new segments of transmission line connecting between the Rio Puerco to Pajarito to Prosperity 345 kV stations in the Albuquerque area and to expand and upgrade the related station facilities (the “Project”). The Project will also require Commission approval of a Right-of-Way (ROW) width of 150 feet. This initiative is a critical component of PNM’s long-term strategy to enhance grid reliability and resiliency, greater integration of renewable energy resources, and support regional load growth. PNM is requesting the Commission issue a final order approving the CCN and ROW width within six months of filing, but in any case no later than nine months of filing. PNM’s application includes best-known cost estimates for the Project, however any ratemaking treatment will be deferred to a future general rate case.

More information about this case can be found on PNM’s website, <https://www.pnm.com/regulatory>, or by contacting the Commission at the addresses and telephone number provided below. The Commission has assigned Docket No. 26-_____ to this case. All questions or written comments about this case should refer to this docket number.

**NO ACTION IS REQUIRED UNLESS YOU WANT TO PARTICIPATE IN THE
PUBLIC HEARING OR COMMENT ON THE PROCEEDINGS.**

PUBLIC HEARING

A public hearing will be held beginning at [time] on [date], to hear and receive testimony, exhibits, and legal arguments about PNM’s application. The public hearing will take place via the Zoom platform. Members of the public can watch the hearing via a

livestream on the Commission's YouTube channel and its website, <https://www.prc.nm.gov/public-hearings/>.

If you wish to participate in the hearing as a party to this case, you must file a motion for leave to intervene on or before **[date]**. Anyone filing pleadings, documents or testimony in this case must comply with the Commission's electronic filing policy and serve a copy on all parties, the Commission's Staff, and the assigned hearing examiners.

The Commission's Rules of Procedure, found at 1.2.2 NMAC, apply to this case except if modified by order of the Commission or hearing examiners. The rules of procedure and other NMPRC rules are available online at the New Mexico Compilation Commission at <https://nmonesource.com/nmos/en/nav.do>.

PUBLIC COMMENT

If you are interested in the case but do not wish to become a party, you may make written and oral comments as allowed by Rule 1.2.2.23(F) NMAC. Public comments are not taken at the evidentiary hearing because they are not evidence, but they are reviewed and considered by Commission staff. You may send written comments before the Commission takes final action by sending the comment, which must specifically reference Docket No. 26-____, to prc.records@prc.nm.gov. The Commission may also be reached by telephone at 1-888-427-5772 if there are questions about how to submit written comments. Additionally, oral comments may be taken at public comment hearing if one is scheduled by the Commission. If a public comment hearing is scheduled, the date, time and location will be provided on the Commission's website. Public comment is also welcome during Commission open meetings. The open meetings schedule is available on the Commission's website.

IF YOU ARE AN INDIVIDUAL WITH A DISABILITY WHO IS IN NEED OF A READER, AMPLIFIER, QUALIFIED SIGN LANGUAGE INTERPRETER, OR ANY OTHER FORM OF AUXILIARY AID OR SERVICE TO ATTEND OR PARTICIPATE IN THE HEARING. OR FOR A SUMMARY OR OTHER TYPE OF ACCESSIBLE FORMAT OF PUBLIC DOCUMENTS, PLEASE CONTACT THE DIRECTOR OF ADMINISTRATIVE SERVICES OF THE COMMISSION AT (505) 827-8019 AS SOON AS POSSIBLE PRIOR TO THE HEARING.

Any person who desires more information about this case may contact the Commission by phone at (505) 827-4084 or 1-888-427-5772 or by email at Ryan.Jimenez@prc.nm.gov.

GCG#534822

PUBLIC SERVICE COMPANY OF NEW MEXICO
NMPRC DOCKET NO. 26-00000
COMPLIANCE MATRIX

Requirement	Source	Type	Witness	Section
The applicant shall cause notice of the time and place of hearing on the application for the right-of-way determination to be given to any owner of property proposed to be taken and, if applicable, to the person in actual occupancy of the property. Notice shall be given by mailing a copy by ordinary first class mail at least twenty days before the time set for hearing. Proof of the giving of notice shall be made on or before the hearing and filed in the proceeding.	NMSA 1978, § 62-9-3.2	ROW	McClellan	Section V. of Direct Testimony
The need for the facility	Staff	CCN	Hakimian	Section II. of Direct Testimony
Cost information for facility	Staff	CCN	Hakimian	Section III. of Direct Testimony
No environmental violations are noted	Staff	CCN	Watson	Section III. of Direct Testimony
Proposed facility the most economical choice among feasible alternatives	Staff	CCN	Hakimian	Section IV. of Direct Testimony
All efforts to collaborate with interested constituents and reach a consensus, and the results of such efforts	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	McClellan and Newby	Section III. of Direct Testimony
The ramifications of any increase in PNM's ability to wheel into its service area	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	Hakimian	Section II. of Direct Testimony
The current status of any other projects or planned projects which would significantly affect the transmission grid, and how such projects affect the current application	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	Hakimian	Section II. of Direct Testimony
The current status of any plans to change the ownership or operation of significant portions of the New Mexico transmission grid (e.g. connection of Plains' transmission system to SPS) and how such change would affect the current application	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	Hakimian	Section II. of Direct Testimony
How PNM's transmission needs have been integrated with PNM's generation/power purchase plans and needs, including how such transmission will affect or be affected by present or future generation configurations	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	Hakimian	Section II. of Direct Testimony
If the project is to benefit DOE/LANL/LAC, updates to their load growth or shrinkage	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	Alvarez	Section III. of Direct Testimony
Progress on and analysis of all reasonable alternatives to the current application	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	Hakimian	Section IV. of Direct Testimony
All assumptions to which PNM's proposal is significantly sensitive	Case No. 2382 (OLE) p. 104 of the Final Order	CCN	Hakimian	Section II. of Direct Testimony
PNM agrees not to request from the Commission rate recovery of any transmission costs that are not caused by, or do not directly benefit, New Mexico retail customers. "Directly benefit" includes transmitting power for retail customer use, transmitting power for off-system sales, and enhancing system reliability	Case No. 10-00086-UT, p. 122 of Final Order Partially Approving Certification of Stipulation	CCN	Alvarez	Section III. of Direct Testimony