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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, INC.; APPROVAL OF A GENERAL DIVERSIFICATION PLAN; AND ALL OTHER AUTHORIZATIONS AND APPROVALS REQUIRED TO CONSUMMATE AND IMPLEMENT THIS TRANSACTION ("JOINT APPLICATION")	))))))))))	**Docket 25-00060-UT**

ORDER GRANTING JOINT APPLICANTS' MOTION TO REVISE MERGER APPLICATION AND SUPPORTING TESTIMONY AND FOR LEAVE TO SUPPLEMENT COMPLIANCE REPORT

THIS MATTER comes before Patrick Schaefer and Jocelyn Barrett, hearing examiners for the New Mexico Public Regulation Commission ("Commission"), upon Public Service Company of New Mexico ("PNM"), TXNM Energy, Inc. ("TXNM"), and Troy ParentCo LLC's ("Troy") (collectively, "Joint Applicants") Motion to Revise Merger Application and Supporting Testimony, for Leave to Supplement Compliance Report and Request for Subsequent Status Conference ("Joint Applicants' Motion"), filed on September 15, 2026. The Hearing Examiners have reviewed the Motion, the Utility Division Staff's ("Staff") Response, the Center for Biological Diversity's ("Center") Response in Opposition, the Response filed by New Energy Economy, New Mexico Consumers Protection Alliance, Coalition for Clean Affordable Energy, the Community Groups, and Coalition for Community Solar Access, in which Prosperity Works concurs (collectively, "Opposing Intervenors' Response"), the Commission's July 2, 2026 Final Order on Show Cause Proceeding ("Final Order"), the Joint Applicants' Compliance Report and Amended Compliance Report, Staff's and intervenors' responses to those compliance filings, and the relevant record in this proceeding. Being fully advised, the Hearing Examiners FIND AND CONCLUDE as follows:

1. Joint Applicants request leave to revise the pending Application and supporting testimony and exhibits to reflect developments occurring since the Application was originally filed, including the Commission's Final Order on Show Cause Proceeding, the actions undertaken in response to that Order, the passage of time, and revisions to their proposed regulatory commitments.[1] Joint Applicants also seek leave to supplement their compliance reporting to provide final information concerning the equity issuance, repayment of the $400 million term loan, associated costs, and matters identified by Staff and intervenors in response to the earlier compliance filings.[2] Joint Applicants further request a status conference for purposes of establishing a revised procedural schedule.[3]

2. Staff does not oppose proceeding toward consideration of the acquisition on the merits and proposes that, if Joint Applicants' Motion is granted, Joint Applicants also be required to provide a comprehensive matrix identifying changes to the Application and supporting testimony.[4] Staff further states that the pending motions and compliance issues need not prevent the acquisition proceeding from moving forward unless the Commission determines that a separate evidentiary proceeding is required.[5]

[1] Joint Applicants' Motion to Revise Merger Application and Supporting Testimony, for Leave to Supplement Compliance Report and Request for Subsequent Status Conference (Sept. 15, 2026) ("Joint Applicants' Motion") at 6-7.

[2] *Id.* at 7-8.

[3] *Id.* at 9.

[4] Staff's Response to Joint Applicants' Motion to Revise Merger Application and Supporting Testimony, for Leave to Supplement Compliance Report and Request for Subsequent Status Conference (Sept. 17, 2026) ("Staff's Response") at 4.

[5] *Id.* at 3.

3. The Center for Biological Diversity and several other intervenors oppose acceptance of the Revised Application at this time, principally arguing that revision is premature because the compliance process and other pending matters have not been finally resolved and because the July 2, 2026, Procedural Order ("July 2 Procedural Order") contemplated a status conference and further procedural order before deadlines were established for amended filings.[6] The Center does not, however, oppose Joint Applicants' request to file a Supplemental Compliance Report.[7]

4. The Hearing Examiners conclude that the Motion should be granted. The Commission's Final Order expressly recognized that the consequences of the Financing Transaction could require "withdrawal, amendment, supplementation, or refiling" of the pending Application so that the record accurately reflects the current posture of the proposed transaction.[8] The Final Order further placed responsibility upon Joint Applicants to assess the Application in light of the Show Cause proceeding and make such amendments or supplements as are necessary to provide a complete and current record.[9]

5. The Revised Application and supporting testimony are intended to accomplish that purpose by consolidating prior supplemental testimony, addressing developments arising from the Show Cause proceeding and subsequent compliance actions, updating information that has

[6] Response to Joint Applicants' Motion to Revise Merger Application and Supporting Testimony, for Leave to Supplement Compliance Report and Request for Subsequent Status Conference (Sept. 21, 2026) at 2-6; Center for Biological Diversity's Response in Opposition to Joint Applicants' Motion to Revise Merger Application (Sept. 24, 2026) ("Center's Response") at 1-3.

[7] Center's Response at 4

[8] Final Order on Show Cause Proceeding ¶ 77 (July 2, 2026).

[9] *Id.* at ¶¶ 77, 138, and Decretal ¶ G.

changed with the passage of time, and revising the proposed regulatory commitments.[10] Acceptance of those materials for filing does not constitute a determination concerning their substantive adequacy or the merits of the proposed acquisition, and Staff and intervenors remain free to challenge the Revised Application through testimony, discovery, motions, cross-examination, and other procedures.

6. The July 2, 2026 Procedural Order held the acquisition phase in abeyance pending further order of the Hearing Examiners or Commission and contemplated establishment of further procedures once the compliance filings and related responses clarified the posture of the Application.[11] Those filings and responses have now been made. The fact that parties disagree concerning their legal or factual significance does not require the acquisition proceeding to remain in abeyance. Rather, the present Order determines the procedural posture of the Application following review of those filings and provides the "further direction" contemplated by the July 2nd Procedural Order. Nor does Joint Applicants' submission of proposed revised materials with their Motion deprive the Hearing Examiners of authority to determine whether those materials should be accepted. Joint Applicants have requested leave to revise the Application, and the Hearing Examiners now grant that request.

7. The Hearing Examiners further conclude that Joint Applicants have substantially effectuated the compliance requirements of the Final Order sufficiently to permit the acquisition proceeding to move forward. Among other actions, Joint Applicants (1) repaid the $400 million provided through the Financing Transaction, (2) cancelled the 8,000,000 shares issued in that

[10] Joint Applicants' Motion at 6-8.

[11] Order Granting Joint Motion to Amend Revised Procedural Schedule (July 2, 2026) ¶¶ 16-18.

transaction, (3) returned approximately $13.3 million in dividends from TopCo to TXNM, (4) paid the sanctions imposed by the Commission, and (5) provided certifications concerning recovery of costs from New Mexico ratepayers.[12]

8. Staff reviewed the Compliance Reports and concluded that Joint Applicants substantially complied with the principal requirements of the Final Order, while identifying additional information and verification that should be provided through supplemental compliance reporting.[13] Staff further concluded that, with supplementation of the acquisition record, the evidentiary record can remain sufficient to proceed with further evaluation of the proposed acquisition.[14]

9. The Hearing Examiners have also considered the concerns raised by intervenors concerning indirect financial consequences, credit impacts, ratepayer protections, changes to the transaction resulting from the unwind, and the completeness and accuracy of the acquisition record.[15] Those concerns certainly warrant continued disclosure, supplementation, and examination in this proceeding, but they do not establish that the principal remedial actions required by the Final Order remain unperformed or that continued suspension or dismissal of the Application is necessary.

10. Accordingly, the Hearing Examiners' determination that the compliance requirements have been substantially effectuated is limited to the procedural determination

[12] Joint Applicants' Motion at 4-5

[13] Staff's Response at 1, 3-9.

[14] *Id.* at 8-10.

[15] *See, e.g.,* Prosperity Works' Response to Amended Compliance Report (Sept. 9, 2026) at 2-3 (raising proxy, ratepayer-protection, and amendment/refiling issues); Response to Joint Applicants' Motion (Sept. 9, 2026) at 5-7 (asserting unresolved compliance and transaction-change issues).

necessary to permit this proceeding to resume. It does not constitute a determination that every obligation imposed by the Final Order has been finally or completely satisfied, foreclose further Commission review of compliance, or prejudge any issue concerning the merits of the Revised Application.

11. Acceptance of the Revised Application likewise does not resolve whether any particular modification to the proposed transaction, regulatory commitments, or supporting evidence is sufficient, appropriate, or consistent with the public interest. Those matters remain subject to development of the evidentiary record and determination on the merits.

12. Requiring a new application rather than permitting revision of the existing Application is not necessary at this stage where the Revised Application can provide the operative pleading against which Staff and intervenors may conduct discovery, submit testimony, and otherwise develop a complete record.

13. Finally, the Hearing Examiners agree with Staff that Joint Applicants should provide a comprehensive matrix identifying the material revisions made to the Application and supporting testimony.[16] Such a filing will facilitate review of the Revised Application without limiting any party's ability to identify additional changes or challenge their significance in appropriate ways during the course of this proceeding.

IT IS THEREFORE ORDERED:

A. Joint Applicants' Motion to Revise Merger Application and Supporting Testimony, for Leave to Supplement Compliance Report and Request for Subsequent Status Conference is **GRANTED.**

[16] Staff Response at 3-4.

B. The Revised Application, revised regulatory commitments, supporting testimony, exhibits, and other materials submitted with the Motion are accepted for filing as the operative Application and supporting direct evidence in this proceeding.

C. Joint Applicants are granted leave to file a Supplemental Compliance Report addressing the final costs and actions associated with unwinding the Financing Transaction, the equity issuance and repayment of the $400 million term loan, and the additional compliance information identified by Staff and intervenors.

D. Joint Applicants shall file a comprehensive matrix identifying the material revisions to the Application, regulatory commitments, supporting testimony, and exhibits, including the location and general nature of each material change, by November 2, 2026.

E. The abeyance of the acquisition phase imposed by the July 2, 2026, Order Granting Joint Motion to Amend Revised Procedural Schedule is lifted.

F. A status conference has been previously scheduled for October 22, 2026, at 3:00pm MST for purposes of addressing a revised procedural schedule and other procedural issues. The Hearing Examiners will establish the revised procedural schedule after considering the positions of the parties at the status conference.

G. Acceptance of the Revised Application and supporting materials does not constitute approval of the Revised Application, a determination concerning the weight or sufficiency of the supporting evidence, or resolution of any contested issue concerning the proposed acquisition.

H. Any argument, allegation, objection, or request for relief raised by a party that is not expressly addressed in this Order has been considered and is denied or otherwise disposed of consistent with this Order.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, on October 16, 2026.

NEW MEXICO PUBLIC REGULATION COMMISSION

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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, INC.; APPROVAL OF A GENERAL DIVERSIFICATION PLAN; AND ALL OTHER AUTHORIZATIONS AND APPROVALS REQUIRED TO CONSUMMATE AND IMPLEMENT THIS TRANSACTION ("JOINT APPLICATION")	)	**Case No. 25-00060-UT**

CERTIFICATE OF SERVICE

This Certifies that on this date I sent a courtesy copy of the Order Granting Joint Applicants' Motion to Revise Merger Application and Supporting Testimony and Leave to Supplement Compliance Report, filed on PRCe360 on the same date, to the parties listed here.

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DATED this October 16, 2026

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