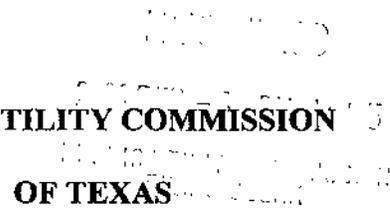




Control Number: 58536



Item Number: 264



**JOINT REPORT AND APPLICATION
OF TEXAS-NEW MEXICO POWER
COMPANY AND TROY PARENTCO
LLC FOR REGULATORY APPROVALS
UNDER PURA §§ 14.101, 39.262,
AND 39.915**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

ORDER

This Order addresses the joint report and application filed by Texas-New Mexico Power Company (TNMP) and Troy ParentCo LLC (Troy) (collectively, the applicants) under PURA¹ §§ 14.101, 39.262 and 39.915. On December 11, 2025, the applicants, Commission Staff, the Office of Public Utility Counsel (OPUC), the Texas Industrial Energy Consumers (TIEC), Cities Served by TNMP (Cities),² Walmart Inc., and Texas Energy Association for Marketers (TEAM) (collectively, the signatories) entered into, and filed in this docket, an agreement that resolves all matters in dispute between them (the agreement). The only other party to this proceeding, Valero Refining-Texas, LP, does not oppose the agreement. For the reasons discussed in this Order, the Commission approves the agreement and finds that the acquisition at issue in this proceeding is in the public interest under PURA §§ 14.101, 39.262, and 39.915, provided that all regulatory commitments described in this Order are met.

I. Discussion

A. The Proposed Acquisition

In the joint report and application filed in this docket, the applicants seek Commission approval of a proposed acquisition through which, in accordance with the May 18, 2025 Agreement and Plan of Merger (merger agreement) attached as exhibit HB-1 to the joint report and application, Troy’s wholly owned subsidiary, Troy Merger Sub Inc. (Merger Sub), will merge with and into TNMP’s indirect parent company TXNM Energy, Inc. (TXNM), with TXNM continuing as the surviving corporation (the acquisition). Troy’s indirect controlling owner,

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.017.

² For purposes of this proceeding, Cities is composed of the following municipalities: Alvin, Dickinson, Friendswood, La Marque, and Texas City.

Blackstone Infrastructure, will provide the equity necessary to complete the acquisition of TXNM. Upon closing of the acquisition, TXNM will become a direct wholly owned subsidiary of Troy and an indirect wholly owned subsidiary of Blackstone Infrastructure. As a result of the merger, all outstanding shares of TXNM common stock (other than certain excluded shares, such as those held by TXNM in treasury or by Troy or its affiliates) will be converted into the right to receive cash consideration as set forth in the merger agreement. Shares held by TXNM's current public shareholders immediately before the transaction's effective time will be cancelled and converted into the right to receive \$61.25 in cash per share. The per-share purchase price of \$61.25 in cash represents an enterprise value of approximately \$11.5 billion, including TXNM's net debt and preferred stock, and is a 23% premium over TXNM's unaffected 30-day volume weighted average price as of March 5, 2025, the day before the press reported the potential for acquisition of TXNM. Immediately following the closing of the acquisition, Troy will own all the equity interest in TXNM. As part of the acquisition, Troy proposes to have TXNM's subsidiary, TNP Enterprises, Inc. (TNPE), transfer its 100% ownership interest in TNMP to a newly created special purpose entity TNPE 1, LLC (TNPE 1), that will be owned by TNPE, so that there would be an entity interposed between TNMP and TNPE. After closing, TNMP and Public Service Company of New Mexico (PNM) will continue to be subsidiaries of TXNM and will be indirect subsidiaries of Troy and Blackstone Infrastructure.

B. Regulatory Commitments

The applicants proposed numerous regulatory commitments in both the joint report and application and in their rebuttal testimonies filed in this proceeding. In the agreement, the signatories negotiated a final set of regulatory commitments that enhanced many of the applicants' proposed regulatory commitments and added several regulatory commitments. The regulatory commitments agreed to by the signatories in the agreement are set forth in Findings of Fact 56 through 72 below. The Commission finds that these regulatory commitments must be imposed in order for the acquisition to be in the public interest under PURA §§ 14.101, 39.262, and 39.915. The Commission may enforce these regulatory commitments under PURA §§ 39.262(o) and 39.915(d).

II. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. TNMP is a Texas corporation registered with the Texas secretary of state under filing number 19241500.
2. TNMP owns and operates for compensation in Texas facilities and equipment to transmit and distribute electricity in the Electric Reliability Council of Texas (ERCOT) region.
3. TNMP holds certificate of convenience and necessity number 30038 to provide service to the public.
4. TNMP is currently an indirect wholly owned subsidiary of TXNM and receives support services from affiliates located in both Texas and New Mexico.
5. Troy is a newly created Delaware limited liability company formed solely for the purpose of entering into the merger agreement, completing the acquisition, and thereafter owning 100% of the equity interests in TXNM. Troy conducts no business activities other than its ownership of Merger Sub and will become the sole owner of TXNM upon the closing of the acquisition.
6. Troy is an indirect wholly owned subsidiary of Blackstone Infrastructure.
7. Merger Sub is a New Mexico corporation newly formed by Troy solely for the purpose of entering into the merger agreement and completing the acquisition.
8. Merger Sub is a wholly owned subsidiary of Troy and has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement. Subject to the terms of the merger agreement, upon completion of the acquisition, Merger Sub will merge with and into TXNM, with TXNM continuing as the surviving corporation under Troy.

Other Entities

9. TNPE is a Texas corporation. TNPE is TNMP's immediate parent company, and TNPE is a wholly owned subsidiary of TXNM.

10. TXNM is a New Mexico corporation that controls a 100% interest in TNMP through TNPE.
11. Blackstone Infrastructure is an umbrella term used to refer collectively to BIA GP LP, BIA GP NQ LP, Blackstone Infrastructure Associates (Lux) S.à.r.l., and BXISA LLC (collectively, Blackstone Infrastructure Management) and the investment funds and accounts directly or indirectly controlled by them, including Blackstone Infrastructure Partners LP and its parallel funds and accounts (collectively, BIP) and Blackstone Infrastructure Strategies LP and its parallel funds and accounts (BXINFRA and, together with BIP, the Blackstone Infrastructure Funds) as well as investment funds or accounts controlled by Blackstone Infrastructure Management through which a minority portion of the total investment will be syndicated to passive co-investors that are aligned with the Blackstone Infrastructure Funds' long-term goals for TXNM (the Blackstone Infrastructure TXNM Co-Investment Funds).
12. Upon the closing of the acquisition, the Blackstone Infrastructure Funds will be the indirect majority investor in TNMP, the Blackstone Infrastructure TXNM Co-Investment Funds will be indirect minority investors in TNMP, and Blackstone Infrastructure Management will retain control over all of the indirect investment in TNMP.
13. The entities comprising Blackstone Infrastructure Management are indirectly controlled by Blackstone Inc. (Blackstone). Blackstone Infrastructure serves as a vehicle by which Blackstone investors could invest in the utility, energy, transportation, digital infrastructure, water, and waste sectors, principally in North America. At the time of filing the joint report and application, Blackstone Infrastructure had approximately \$64 billion of assets under management.

Application and Description of the Acquisition

14. On August 25, 2025, the applicants filed their joint report and application requesting approval of an acquisition by which Troy would acquire TXNM, the indirect parent of TNMP, resulting in an indirect change of control of TNMP.
15. The acquisition will occur in accordance with the merger agreement executed on May 18, 2025 by TXNM, Troy, and Merger Sub, and in accordance with the requirements

- of this Order. In accordance with the merger agreement, Merger Sub will merge with and into TXNM, with TXNM continuing as the surviving corporation.
16. As a result of the acquisition, TXNM will become a direct, wholly owned subsidiary of Troy and, through Blackstone Infrastructure, one of Blackstone's portfolio companies.
 17. Under the merger agreement, shares held by TXNM's current public shareholders (other than dissenting shareholders) immediately before the transaction's effective time will be cancelled and converted into the right to receive \$61.25 in cash per share.
 18. The per-share purchase price of \$61.25 in cash represents an enterprise value of approximately \$11.5 billion, including TXNM's net debt, and is a 23% premium over TXNM's unaffected 30-day volume weighted average price as of March 5, 2025, the day before the press reported the potential for acquisition of TXNM.
 19. Blackstone Infrastructure will provide Troy the equity necessary to complete the acquisition of TXNM.
 20. Immediately following the closing of the acquisition, Troy will own all the equity interests in TXNM.
 21. The acquisition will result in Troy directly replacing TXNM's public shareholders at closing, with Troy as the indirect sole shareholder of TNMP.
 22. The applicants made numerous regulatory commitments related to the acquisition in the joint report and application and in their rebuttal testimonies.
 23. TXNM's board of directors, after completing a competitive process and evaluating alternatives, unanimously approved the merger agreement and recommended that TXNM's shareholders vote in favor of the acquisition.
 24. After closing of the acquisition, TNMP will remain an independently operated, locally managed, regulated electric utility headquartered in Lewisville, Texas. No material changes in TNMP's day-to-day operations are expected.
 25. Blackstone Infrastructure's investment in TNMP will provide additional access to necessary funding for TNMP's systems, operations, and growth.

26. The transfer of ultimate ownership of TNMP as a result of the acquisition will not involve the transfer of any of TNMP's assets, franchises, or certificates of convenience and necessity.
27. In Order No. 4 filed on September 16, 2025, the Administrative Law Judge (ALJ) found the application administratively complete.

Notice

28. On August 25, 2025, the applicants sent notice of the joint report and application, by U.S. mail, to the following:
 - a. all affected counties and municipalities in TNMP's service area;
 - b. all neighboring utilities and electric cooperatives of TNMP;
 - c. all retail electric providers serving TNMP's service territory;
 - d. all entities listed in the Commission's transmission matrix in Docket No. 57491;³
 - e. the parties in TNMP's most recent, completed, comprehensive rate case, Docket No. 48401;⁴ and
 - f. the parties in Docket No. 51547.⁵
29. On September 8, 2025, the applicants filed an affidavit, dated September 8, 2025, of Patricia Estrada, paralegal for TNMP's legal counsel, who attested that notice was provided as described above.
30. In Order No. 3 filed on September 11, 2025, the ALJ found the notice sufficient.

Intervenors

31. In Order No. 2 filed on September 8, 2025, the ALJ granted the motions to intervene of OPUC, TIEC, and Cities.

³ *Commission Staff's Petition to Set 2025 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas, Inc.*, Docket No. 57491, Order at attachment A (June 5, 2025).

⁴ *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401, Order (Dec. 20, 2018).

⁵ *Joint Report and Application of Texas-New Mexico Power Company, NM Green Holdings, Inc., and Avangrid, Inc. for Regulatory Approvals under PURA §§ 14.101, 39.262, and 39.915*, Docket No. 51547, Order (May 13, 2021).

32. In Order No. 5 filed on September 30, 2025, the ALJ granted the motions to intervene of TEAM and Valero.
33. In Order No. 7 filed on October 15, 2025, the ALJ granted the motion to intervene of Walmart.

Pre-filed Testimony and Statements of Position

34. As part of the joint report and application, the applicants filed the direct testimonies of James Neal Walker, Stacy R. Whitehurst, and Emmanuel J. Lopez on behalf of TNMP, the direct testimonies of Sebastien Sherman and Heidi Boyd on behalf of Troy, and the direct testimony of Ellen Lapson on behalf of the applicants.
35. On November 5, 2025, TIEC filed the direct testimony of Charles S. Griffey, and Walmart filed the direct testimony of Eric S. Austin.
36. On November 12, 2025, Commission Staff filed the direct testimonies of Carolyn A. Berry, Ph.D., Chris Roelse, P.E., and Adrian Narvaez.
37. On November 19, 2025, TNMP filed the rebuttal testimonies of James Neal Walker, Sabrina Greinel, and Stacy R. Whitehurst, Troy filed the rebuttal testimonies of Sebastien Sherman and Heidi Boyd, and the applicants filed the rebuttal testimony of Ellen Lapson.
38. On November 20, 2025, the applicants filed errata to Exhibit SRW-4 to the rebuttal testimony of Stacy R. Whitehurst.
39. On December 1, 2025, the applicants filed errata to provide the affidavits to their rebuttal testimonies and corrections to the rebuttal testimony of Sabrina Greinel and her Exhibit SGG-R1.
40. On December 10, 2025, Cities, OPUC, TEAM, and Valero filed statements of position.
41. On December 12, 2025, Commission Staff filed the testimony in support of the agreement of Darryl Tietjen.
42. On December 18, 2025, TNMP filed the supplemental testimony in support of the agreement of Stacy R. Whitehurst; and Troy filed the supplemental testimony in support of agreement of Heidi Boyd.

43. On December 19, 2025, Valero filed a statement of position confirming that it does not oppose the agreement entered into by the signatories.

Evidence

44. The following items were admitted into evidence by the ALJ at the prehearing conference held on December 2, 2025, as memorialized in Order No. 12 filed on December 4, 2025:

APPLICANTS		
Applicants' Exhibit 1	Joint Report and Application of TNMP and Troy ParentCo for Regulatory Approvals Under PURA §§ 14.101, 39.262, and 39.915	August 25, 2025
Applicants' Exhibit 2	Direct testimony and exhibits of James Neal Walker	August 25, 2025
Applicants' Exhibit 3	Direct testimony and exhibits of Stacy R. Whitehurst	August 25, 2025
Applicants' Exhibit 4	Direct testimony and exhibits of Emmanuel J. Lopez	August 25, 2025
Applicants' Exhibit 5	Direct testimony and exhibits of Sebastien Sherman	August 25, 2025
Applicants' Exhibit 6	Direct testimony and exhibits of Heidi Boyd	August 25, 2025
Applicants' Exhibit 7	Direct testimony and exhibits of Ellen Lapson	August 25, 2025
Applicants' Exhibit 7A	Highly sensitive confidential portion of direct testimony of Ellen Lapson	CONFIDENTIAL August 25, 2025
Applicants' Exhibit 8	Applicants' proof of notice	September 8, 2025
Applicants' Exhibit 9	Rebuttal testimony of James Neal Walker	November 19, 2025
Applicants' Exhibit 10	Rebuttal testimony of Stacy R. Whitehurst (includes errata)	November 19 and 20, 2025
Applicants' Exhibit 10A	Highly sensitive confidential portion of rebuttal testimony of Stacy R. Whitehurst	CONFIDENTIAL November 19, 2025
Applicants' Exhibit 10B	Workpapers to the rebuttal testimony of Stacy R. Whitehurst	November 20, 2025
Applicants' Exhibit 11	Rebuttal testimony of Sabrina Greinel	November 19, 2025

Applicants' Exhibit 12	Rebuttal testimony of Sebastien Sherman	November 19, 2025
Applicants' Exhibit 12A	Highly sensitive confidential portion of rebuttal testimony of Sebastien Sherman	CONFIDENTIAL November 19, 2025
Applicants' Exhibit 13	Rebuttal testimony of Heidi Boyd	November 19, 2025
Applicants' Exhibit 14	Rebuttal testimony of Ellen Lapson	November 19, 2025
Applicants' Exhibit 14A	Highly sensitive confidential portion to rebuttal testimony of Ellen Lapson	CONFIDENTIAL November 19, 2025
TIEC		
TIEC 1A	Direct testimony and exhibits of Charles S. Griffey	November 5, 2025
TIEC 1B	Highly sensitive confidential portion of the direct testimony and exhibits of Charles S. Griffey	CONFIDENTIAL November 5, 2025
WALMART		
Walmart Exhibit 1	Direct testimony and exhibits of Eric S. Austin	November 5, 2025
COMMISSION STAFF		
PUC STAFF 1	Direct testimony and exhibits of Chris Roelse, P.E.	November 12, 2025
PUC STAFF 2	Direct testimony of Adrian Narvaez	November 12, 2025
PUC STAFF 3	Direct testimony of Carolyn A. Berry, Ph.D.	November 12, 2025
PUC STAFF 3A	Highly sensitive confidential portion of the direct testimony of Carolyn A. Berry	CONFIDENTIAL November 12, 2025
PUC STAFF 3B	Public portion of workpapers to the direct testimony of Carolyn A. Berry	November 12, 2025
PUC STAFF 3C	Highly sensitive confidential portion of workpapers of Carolyn A. Berry	CONFIDENTIAL November 13, 2025

45. In Order No. 14 filed on January 8, 2026, the ALJ admitted into evidence the following:
- a. the agreement including attachment 1 filed on December 11, 2025;
 - b. testimony in support of the agreement of Daryl Tietjen on behalf of Commission Staff filed on December 12, 2025;

- c. supplemental testimony in support of the agreement of Stacy R. Whitehurst on behalf of TNMP filed on December 18, 2025; and
- d. supplemental testimony in support of the agreement of Heidi Boyd on behalf of Troy and exhibits filed on December 18, 2025.

Hearing

- 46. In Order No. 8 filed on October 17, 2025, the ALJ established a procedural schedule for this proceeding and set a hearing on the merits for December 15 through 17, 2025.
- 47. In Order No. 9 filed on October 27, 2025, the ALJ issued an amended procedural schedule.
- 48. On December 2, 2025, a prehearing conference was held.
- 49. In light of the agreement, in Order No. 13 filed on December 12, 2025, the ALJ cancelled the hearing on the merits scheduled for December 15 through 17, 2025.

The Agreement

- 50. The agreement was executed by the applicants, Commission Staff, OPUC, TIEC, Cities, Walmart, and TEAM on December 11, 2025.
- 51. On December 19, 2025, Valero, the only party that is not a signatory to the agreement, confirmed that it does not oppose the agreement.
- 52. The signatories agree that the agreement resolves all issues among them related to this proceeding and that the agreement is binding on each of the signatories for the purpose of resolving the issues set forth in the agreement.
- 53. The signatories agree that, based on the requirements of the agreement, the acquisition is in the public interest in accordance with PURA §§ 14.101, 39.262(*l*) and (*m*), and 39.915.
- 54. The regulatory commitments included in the agreement, as agreed to by all the signatories, are set forth below in Findings of Fact 56 through 72.
- 55. The agreement, taken as a whole, is a just and reasonable resolution of the issues, is in the public interest, and should be approved.

Regulatory Commitments

- 56. The signatories agreed that, except to the extent that any of the following conditions through Finding of Fact 72 explicitly state otherwise, the following commitments will

apply as of closing of the acquisition and continue to apply thereafter, unless and until they are altered by the Commission.

57. Under the agreement, TNMP will provide the following regulatory commitment addressing tangible and quantifiable benefits:

Rate Credit: TNMP will provide a direct financial benefit to customers in the form of a rate credit of \$45.5 million to be paid over 48 months following the closing of the acquisition. The rate credit amounts will be allocated across all functions and classes consistent with Staff witness Narvaez's testimony.

58. The regulatory commitment addressing tangible and quantifiable benefits in this Order is reasonable.

59. Under the agreement, the following regulatory commitments addressing governance and board structure will apply:

- a. **TNMP Board Composition:** TNMP will have a seven-member board of directors (TNMP Board), including (A) three disinterested directors (as defined below) and (B) the President and CEO of TNMP.

- i. **Disinterested Directors:** Disinterested directors must qualify as independent from TNMP, Blackstone Inc. (Blackstone) and their affiliates in all material respects in accordance with the rules and regulations of the New York Stock Exchange during the ten-year period prior to appointment.

- ii. **Terms of Disinterested Directors:** All disinterested directors will have a term of three years, except the initial terms of the disinterested directors will be staggered, such that in each 12-month period no more than one of the terms of the disinterested directors will expire. A person appointed to fill a disinterested director position that is vacant due to death, resignation, removal or other reason other than expiration of the term of the position will serve for the remainder of that the applicable term or their earlier death, resignation, removal, or such other reason.

- iii. **Disinterested Director Appointment and Removal:** The initial disinterested directors must be chosen by Troy from a slate of at least six candidates

developed by a nationally recognized executive search firm such as Heidrick & Struggles, Spencer Stuart, Korn Ferry, or Russell Reynolds. The initial disinterested directors will be identified in a filing made in the compliance docket opened by this Order within 90 days after closing of the acquisition. Subsequent disinterested directors shall be selected by the TNMP Board from a slate of candidates developed by the current disinterested directors, which must include at least three candidates per open director position. Removal of a disinterested director prior to expiration of his or her term requires the affirmative vote of a majority of the TNMP Board and a majority of the remaining disinterested directors.

- iv. Director Domicile: At least two of the disinterested directors must be Texas residents.
 - v. Utility Executive: At least one disinterested director must have utility executive experience.
- b. TNPE 1 Board Composition: TNPE 1, LLC (TNPE 1), a special purpose entity for bankruptcy remote purposes under the state laws of Texas and direct subsidiary of TNP Enterprises, Inc., will have a board of directors (TNPE 1 Board) with the same composition as the TNMP Board, except that the President and CEO of TNMP for purposes of the TNPE 1 Board will be replaced by a director chosen by Troy.
 - c. Best Interest of Utility: The TNMP Board shall have the duty to act, subject to applicable Texas law, in the best interests of TNMP consistent with this Order. The TNPE 1 Board, subject to applicable Texas law, shall have a duty to act in the best interests of TNMP consistent with this Order.
 - d. Board Authority: The TNMP Board will have decision-making authority over dividend policy, debt issuance, issuance of dividends or other distributions (other than tax distributions), capital expenditures, shared service fees, operation and maintenance expenditures, and appointment or removal of officers. These decisions made by the TNMP Board cannot be overruled by TNPE 1, TXNM, Troy, or any affiliate that controls Troy.

- e. Dividend Restrictions:
- i. Unless approved by the Commission, dividends or distributions (other than tax distributions) may only be paid if TNMP's credit rating is at least BBB at S&P and Baa2 at Moody's, and TNMP will limit its payment of dividends or distributions (other than tax distributions) to an amount not to exceed its net income as determined in accordance with generally accepted accounting principles.
 - ii. TNMP must notify the Commission promptly following any credit rating downgrade.
 - iii. A vote of the majority of the disinterested directors of the TNMP Board may prevent TNMP from making any dividends at any time during the first five years following the closing of the acquisition if the TNMP Board reduces TNMP's capital expenditures below the current five-year plan based on limited equity financing availability.
 - iv. A vote of a majority of the TNMP Board, including an affirmative vote of a majority of the disinterested directors, will be required for any amendment, waiver, or modification to TNMP's dividend policy.
- f. Director Independence from Competitive Affiliates: No member of the TNMP Board may be an employee or board member of a competitive affiliate or have direct responsibility for management or strategy of a competitive affiliate.
- g. Director Compensation: The compensation for being a TNMP director or officer employed by TNMP will not be tied to, reflect, or be related to the financial, operating, or other performance or social goals of any entity or interest other than TNMP. The TNMP Board shall have the power to set the compensation and benefits for being a TNMP director or officer employed by TNMP, in the form and manner it directs, subject to the approval of Troy and, solely in the case of compensation and benefits for the disinterested directors, approval by a majority of the disinterested directors. All officers responsible for utility planning and operations at TNMP must be employees of TNMP. Officers responsible for

accounting, legal, finance, and information technology and other support operations may be employed by a services organization that is a subsidiary of TXNM. Notwithstanding the above, no officer of TNMP shall receive compensation related to the goals of any competitive affiliate.

- h. Director Eligibility: To be eligible, a TNMP or TNPE 1 director must be a United States citizen.
 - i. Approval of TNMP Budgets: A majority of the TNMP directors and a majority of the disinterested directors must approve TNMP's capital and operations and maintenance budgets if the proposed budget is more than a 10% increase or decrease relative to the prior fiscal year. If a majority of the TNMP directors does not approve an annual budget for any year before the commencement of that year, then the annual budget from the immediately preceding year shall continue to apply, subject to an automatic annual increase of up to 10%, until a new annual budget is approved by a majority of the TNMP directors.
 - j. Variances in Budget: If TNMP management seeks approval of a capital project or a series of projects that would be in excess of the approved annual budget by more than 10%, such projects or series of projects must be approved by a majority of the TNMP Board, including a majority of the disinterested directors. Any variance in excess of this threshold will also be identified in an annual report to the Commission and TNMP will provide the reasons for the variance in such annual report.
60. The regulatory commitments addressing governance and board structure identified above are reasonable.
61. Under the agreement, the following regulatory commitments addressing financial protections and ring fencing will apply:
- a. Sole Authorized Purpose: TNMP's sole purpose is to provide transmission and distribution utility service and the performance of activities reasonably necessary and appropriate thereto. TNPE 1 will exist only to directly own equity interests in TNMP and may not issue debt.

- b. Separate Name and Logo: TNMP will maintain an identity, name, and logo that is separate and distinct from the identity, name, and logos associated with Blackstone and any current or former Texas competitive affiliate of TNMP; provided, that the Blackstone name and logo can be added to the TNMP name and logo for branding purposes but that if the Blackstone name or logo is added to the TNMP name and logo, no competitive affiliate with operations in Texas will use the Blackstone or TNMP name, logo, or other brand-identifying features (or any combination thereof) for branding purposes. TNMP will not engage in joint marketing, advertising, or promotional activities with any affiliate data center developer or competitive affiliate of TNMP (including retail electric providers, aggregators, and wholesale generation companies) operating in Texas in a manner that is inconsistent with PURA and the Commission's rules.
- c. No Pledging of or Reliance on Assets: TNMP's assets, stock, or revenues will not be pledged for the benefit of any entity other than TNMP nor used as a guarantee or collateral against any debt issued or liability incurred by an entity other than TNMP.
- d. No Acquisition-Related Debt: TNMP, TNPE 1, and TXNM will not take on any new debt in conjunction with the acquisition; provided, that any increased costs due to refinancing of existing TNMP debt caused by the acquisition will not be borne by customers.
- e. Third-Party Preferred Equity Issuances: If (a) TNMP management has recommended a capital project to the TNMP Board, (b) the TNMP Board has determined that approving such capital project is in keeping with good utility practice, (c) such capital project and a related capital call are approved by a majority of the TNMP Board (including unanimous consent of the disinterested directors), and (d) Troy does not fund such capital project within 18 months of the issuance of such capital call to Troy, TNMP is authorized to thereafter issue non-voting, redeemable preferred equity at then-prevailing market terms solely to secure the equity portion of such capital project so long as such preferred equity does not result in: (i) a credit rating downgrade below BBB or its successor equivalent at S&P or

Baa2 or its successor equivalent at Moody's; or (ii) an equity ratio below the equity ratio required by the Commission; provided, that TNMP must not sell a primary issuance of such preferred equity to Troy or any of its affiliates.

- f. No Additional Intercompany Lending: Aside from TNMP's arrangement with TXNM during the current term of that arrangement, TNMP will not engage in intercompany debt or lending with Troy or any affiliate that directly or indirectly controls Troy, nor guarantee the obligations or liabilities of TXNM or any of its affiliates or subsidiaries, unless authorized by the Commission. Notwithstanding the foregoing, TNMP may borrow from Troy or its affiliates on an arm's-length basis if approved by a majority of the disinterested directors of the TNMP Board; provided, that nothing herein obligates Troy or any of its affiliates to lend money to TNMP or any of its affiliates at any time.
- g. No Shared Credit Facilities: TNMP and TNPE 1 will not share credit facilities with Troy, Blackstone Infrastructure, Blackstone, or any of their affiliates or subsidiaries, except for joint revolvers where liability is several, not joint, and there are no cross-default provisions applicable to any utility borrower.
- h. No Cross-Defaults: TNMP's credit or debt agreements will not include cross-default provisions tied to any affiliates. Under no circumstances will debt of TNMP become due and payable or rendered in default because of any cross-default, financial covenants, rating agency triggers, or similar provisions of any debt or other agreement of TNPE 1, TXNM, Troy, Blackstone Infrastructure, or any of their affiliates or subsidiaries. Further, TNMP's ability to utilize its credit facility will not be contingent on the financial status, default, or credit rating of TXNM, Troy, Blackstone Infrastructure, or any of their affiliates or subsidiaries.
- i. No Affiliate Asset Transfers: TNMP will not transfer material assets (over \$1 million) to affiliates except at arm's length and consistent with the Commission's standards as they are applicable to TNMP, regardless of whether such affiliate standards would apply to a particular transaction.
- j. Separate Books and Records: TNMP will maintain accurate, appropriate, and detailed books, financial records, and accounts, including checking and other bank

accounts, and custodial and other securities safekeeping accounts that are separate and distinct from those of any other entity.

- k. No Commingling of Funds: TNMP will not commingle its funds, assets, or cash flows with those of affiliates, including TXNM, Troy, Blackstone Infrastructure, and any of their affiliates or subsidiaries, except as authorized by the Commission.
 - l. Credit Ratings: TNMP, TNPE 1, TXNM, Troy, and Blackstone Infrastructure will ensure that TNMP maintains standalone credit ratings from at least two major agencies, which must include two of S&P, Moody's, or Fitch, and will take the actions necessary to ensure that these rating agencies are informed of the ring-fence provisions adopted by the Commission in this proceeding in support of a standalone credit rating for TNMP.
 - m. Non-Consolidation Opinion: Troy will obtain a non-consolidation legal opinion that provides that, in the event of a bankruptcy of Troy or any affiliate (other than, for the avoidance of doubt, TNMP or its subsidiaries, if any) of Troy including Blackstone Infrastructure, a bankruptcy court will not consolidate the assets and liabilities of TNMP with Troy or any affiliate (other than, for the avoidance of doubt, TNMP or its subsidiaries, if any) of Troy.
 - n. Debt-to-Equity Ratio: TNMP will maintain a minimum equity ratio as set by the Commission in TNMP's general rate case filings based on a 13-month rolling monthly average.
 - o. No Recovery of Affiliate Retail Electric Provider Bad Debt: To the extent that any retail electric provider is affiliated with TNMP, TNMP will not seek to recover from its customers any costs incurred as a result of a bankruptcy of any such affiliate.
 - p. No Participation in Emissions Reduction Program: TNMP must not participate in any emissions reduction program or sustainability program of Blackstone or its subsidiaries and affiliates.
62. The regulatory commitments addressing financial protections and ring fencing identified above are reasonable.

63. Under the agreement, the following regulatory commitments addressing local control and management will apply:
- a. Minimum Capital Spending Commitment: TNMP will continue to make minimum capital expenditures at a level equal to its current five-year budget ending December 31, 2029. TNMP may reduce capital spending if necessary due to factors outside its control, such as siting delays, project cancellations by third parties, weaker than expected economic conditions, or if a particular expenditure would not be prudent. Any such reductions over 10% will be reported annually to the Commission.
 - b. Headquarters: TNMP's headquarters will remain in Texas within its service territory as long as Troy or its affiliates own TNMP.
 - c. TNMP Management Control: TNMP's President, CEO, and officers will have day-to-day control over operations.
 - d. Workforce Protections: For at least three years post-closing, TNMP will not implement involuntary workforce reductions or reduce wages or benefits, except for cause or performance. In addition, TNMP will continue to honor its existing labor contracts with International Brotherhood of Electrical Workers Local 66.
 - e. Continued Ownership: Troy, through TNPE 1, will maintain a controlling interest in TNMP for at least 10 years after the closing of the acquisition.
 - f. Account Representative: Within 60 days of the entry of this Order, electric customers who have at least three megawatts (MW) of aggregate load from TNMP may request that TNMP provide them with a dedicated account representative, and within 60 days of the consummation of the acquisition, TNMP must assign a dedicated account representative to qualifying consumers that timely made such a request.
64. The regulatory commitments addressing local control and management identified above are reasonable.

65. Under the agreement, the following regulatory commitments addressing accounting and ratemaking will apply:
- a. No Goodwill Recovery: TNMP will not seek to recover any transaction-related goodwill or acquisition premium in rates, rate base, cost of capital, or operating expenses. Goodwill write-downs will not be included in the calculation of net income for dividend purposes or other distribution payment purposes.
 - b. No Pushdown Accounting: Neither TNPE 1 nor TXNM nor any of their affiliates will elect to apply pushdown accounting for the acquisition (i.e., the acquisition will have no accounting impact on TNMP's assets). Furthermore, no incremental goodwill will be allocated to or recognized in TNMP's financial statements.
 - c. No Recovery of Transaction or Transition Costs: TNMP will not seek recovery of transaction or transition costs related to the acquisition from customers in TNMP's rates; provided, that the transition costs shall not include employee time and labor. Transaction costs are those incremental costs paid to advance or consummate the acquisition. Transaction costs do not include TNMP employee time but must include any form of incentive compensation associated with the acquisition, regardless of whether Blackstone Infrastructure, Troy, TXNM, or their affiliates and subsidiaries internally refer to it as incentive compensation. Transition costs are those costs necessary to integrate TNMP into the holding of Troy, whether incurred before or after closing of the acquisition, including one-time transition costs being incurred whether directly or indirectly through affiliate charges, to transition TNMP to new ownership and to integrate TNMP's operations and systems with those of Troy.
66. The regulatory commitments addressing accounting and ratemaking identified above are reasonable.
67. Under the agreement, the following regulatory commitments addressing regulatory jurisdiction and oversight will apply:
- a. Commission Jurisdiction: TNMP will not build assets outside the ERCOT power region or take actions that impair the Commission's jurisdiction without prior

approval. Neither TNMP, TNPE 1, TXNM, Troy, Blackstone Infrastructure, Blackstone, nor their respective controlled affiliates will take any action intended to or that can be reasonably foreseen to subject ERCOT to the jurisdiction of the Federal Energy Regulatory Commission (FERC); provided, however, that it is understood that the FERC continues to have jurisdiction under sections 210, 211, and 212 of the Federal Power Act and may direct transmission and interconnection services over certain existing facilities outside of ERCOT; provided, further, that it is understood that the existing reliability and critical infrastructure standards administered by the North American Electric Reliability Corporation (NERC), through delegation of authority from the FERC, may affect the operations of assets that are deemed part of the bulk electric system. TXNM, Troy, and Blackstone Infrastructure further commit that they will affirmatively support the preservation of the status quo of the Commission's jurisdictional authority over the ERCOT power region and will in good faith support the efforts of TNMP to preserve and maintain the current state of the Commission's jurisdiction over TNMP and the ERCOT power region.

- b. No FERC Preemption Claims: TNMP, TXNM, Troy, Blackstone Infrastructure, and their controlled affiliates will not assert before the Commission, FERC, or a federal or Texas court of competent jurisdiction that the Commission is preempted by the Federal Power Act from determining cost recovery of affiliate costs sought to be allocated to TNMP.
- c. Compliance Reporting: TNMP will file annual compliance reports with the Commission for five years after the closing of the acquisition regarding its compliance with the terms of this Order. All compliance filings must be filed in searchable optical character recognition .pdf format and must include, for any materials created in a format other than Microsoft Word, the native electronic spreadsheet files (e.g., Excel) with all formulas, calculations, and references intact.
- d. Access to Books and Records: TNMP, TNPE 1, TXNM, Troy, and Blackstone Infrastructure will provide the Commission access to their books and records, as well as the books and records in possession of their relevant affiliates, as necessary

to facilitate the Commission's audit or review of affiliate transactions, if any, between TNMP and TNPE 1 or between TNMP and TXNM or any affiliate or subsidiary of Troy or Blackstone Infrastructure.

- e. Amendments: The applicants acknowledge the Commission's jurisdiction and authority to initiate or consider a future proceeding to modify any of the Regulatory Commitments adopted as part of this Order and that any change to these Regulatory Commitments requires prior Commission approval.
68. The regulatory commitments addressing regulatory jurisdiction and oversight identified above are reasonable.
 69. Under the agreement, the following regulatory commitment addressing corporate governance documents will apply:

Bylaws and LLC Agreements: TNMP and TNPE 1 will amend their governing agreements and corporate bylaws within 90 days of closing to reflect the regulatory commitments identified in this Order and file the amendments with the Commission. Any future changes to these documents that will affect the regulatory commitments will require Commission approval.
 70. The regulatory commitment addressing corporate governance documents identified above is reasonable.
 71. Under the agreement, the following regulatory commitments addressing code of conduct and affiliate standards will apply:
 - a. Competitive Affiliate Commitment: TNMP, including the TNMP Board, and Blackstone Infrastructure will comply with all the requirements of PURA and the Commission's rules governing aspects of any relationship and dealings between TNMP and all affiliates. TNMP, including the TNMP Board, and Blackstone Infrastructure will not share TNMP's confidential information as defined under 16 Texas Administrative Code (TAC) § 25.272(c)(3) with affiliates, except as allowed for corporate support services.
 - b. Code of Conduct: TNMP will file with the Commission for authority to amend and update its code of conduct to incorporate all applicable conditions and limitations

on affiliate transactions required by the regulatory commitments identified in this Order. TNMP may not provide any affiliated large load (as defined by ERCOT) any preference over a non-affiliated large load. Transactions between TNMP and affiliated large loads must be at arm's length, except that transactions governed by tariffs must be in accordance with the applicable tariffs.

- c. Arm's-Length Transactions: TNMP will maintain arm's-length relationships with all affiliates and comply with all Commission affiliate standards when negotiating and entering into contracts with affiliates.
 - d. Option 1 Retail Electric Providers: If a controlled affiliate of Blackstone Infrastructure seeks certification from the Commission to become an Option 1 retail electric provider (REP), TNMP will provide notice of the docket in which such certification is being sought to the parties to this proceeding.
72. The regulatory commitments addressing code of conduct and affiliate standards identified above are reasonable.

Tangible and Quantifiable Benefits to Texas Customers

73. In determining whether the acquisition is in the public interest under PURA §§ 14.101, 39.262, and 39.915, the Commission has evaluated whether the acquisition would provide tangible and quantifiable benefits to ratepayers that are specific to the acquisition at issue.
74. Based on the regulatory commitment in Finding of Fact 57, the acquisition will result in tangible and quantifiable benefits to Texas customers on a timely basis.

Evaluation of the Acquisition

75. Based on the record evidence and regulatory commitments identified in this Order, a reasonable value is being paid for the ownership interest of TNMP.
76. Based on the record evidence and regulatory commitments identified in this Order, the acquisition will not adversely affect the health or safety of TNMP's customers or employees.

77. Based on the record evidence and regulatory commitments identified in this Order, the acquisition will not result in the transfer of jobs of citizens of this state to workers domiciled outside of this state.
78. Based on the record evidence and regulatory commitments identified in this Order, the acquisition will not result in a decline in service to TNMP's customers.
79. Based on the record evidence, the acquisition does not involve the sale, lease, or transfer of TNMP's assets.
80. Based on the record evidence and regulatory commitments relating to transaction costs and transition costs identified in this Order, the acquisition will not result in Texas ratepayers bearing transaction-related costs unrelated to the corresponding benefits to Texas ratepayers.
81. Based on the record evidence and regulatory commitments identified in this Order, the acquisition will not adversely affect TNMP's reliability of service, availability of service, or cost of service.
82. The regulatory commitments identified in this Order regarding rate credits that will be given to customers ensure that ratepayers will receive a benefit from the acquisition in a timely manner.
83. The benefits of the acquisition to Texas ratepayers exceed its corresponding costs and risks.
84. Based on the record evidence and regulatory commitments identified in this Order, the acquisition provides tangible and quantifiable benefits to Texas ratepayers.
85. If all regulatory commitments identified in this Order are met, the acquisition is in the public interest.

Good-Cause Exception

86. It is appropriate to consider this Order at the earliest open meeting available; therefore, good cause exists to waive the requirement in 16 TAC § 22.35(b)(2) that a proposed order be served on parties at least 20 days before the Commission is scheduled to consider the proposed order in an open meeting.

III. Conclusions of Law

The Commission makes the following conclusions of law.

1. TNMP is an electric utility as defined by PURA § 31.002(6).
2. TNMP is a transmission and distribution utility as defined in PURA § 31.002(19).
3. The Commission has authority over this proceeding under PURA §§ 14.101, 39.262, and 39.915.
4. Notice of the acquisition and the events in this docket was provided in accordance with 16 TAC § 22.55.
5. The agreement resolves all disputes among the signatories in this docket.
6. The agreement is not opposed by any party.
7. The agreement is a just and reasonable resolution of the issues, is supported by a preponderance of the evidence, is consistent with the relevant provisions of PURA, and is in the public interest.
8. The Commission's consideration of the agreement complies with PURA § 14.054.
9. The acquisition and the provisions of the agreement are consistent with the public interest within the meaning of PURA §§ 14.101, 39.262, and 39.915 and satisfy the applicable requirements of those sections.
10. The Commission may enforce any representation or commitment made by the applicants under PURA §§ 39.262(o) and 39.915(d).
11. There is good cause under 16 TAC § 22.5(b) to grant an exception to the 20-day notice requirement in 16 TAC § 22.35(b)(2).

IV. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission grants a good-cause exception under 16 TAC § 22.5(b) to the requirement in 16 TAC § 22.35(b)(2) that a proposed order be served on all parties no less than 20 days before the Commission is scheduled to consider the application in an open meeting.

2. The Commission approves the acquisition, as modified by the agreement, to the extent provided by this Order.
3. TNMP, Troy, and Blackstone Infrastructure must comply with the regulatory commitments as set forth in Findings of Fact 56 through 72.
4. For a period of five years after the closing of the acquisition, TNMP must file an annual report in the compliance docket opened by this Order regarding its compliance with the terms stated in this Order and the agreement.
5. No more than 30 days after the closing of the acquisition, TNMP must file notice of the closing of the acquisition in the compliance docket for this Order.
6. No more than 45 days after the closing of the acquisition, TNMP must make a tariff filing in the compliance docket for this Order to implement the \$45.5 million rate credit to be provided to TNMP's customers.
7. No more than 90 days after the closing of the acquisition, TNMP and TNPE 1 must amend their governing agreements and corporate bylaws to incorporate the provisions of the regulatory commitments set forth in Findings of Fact 56 through 72.
8. No more than 90 days after the closing of the acquisition, the applicants must file in the compliance docket for this Order the amended governing agreements and corporate bylaws described in Ordering Paragraph 7.
9. To the extent any changes to the regulatory commitments approved in this proceeding, including as reflected in the governing agreements or corporate bylaws, are sought, TNMP and TNPE 1 must not amend those regulatory commitments, including as reflected in the governing agreements or corporate bylaws, until the Commission approves the changes. Any amendments must be completed within the timeframe ordered by the Commission.
10. No more than 90 days after the closing of the acquisition, TNMP must file, in the compliance docket for this Order, a document identifying the initial disinterested directors. Within 20 days of TNMP's filing, Commission Staff must review the filing and file a statement regarding whether or not the directors comply with the disinterested director definition.

11. No more than 90 days after the closing of the acquisition, TNMP must file for authority to amend and update its code of conduct to incorporate all applicable conditions and limitations on affiliate transactions required by this Order. The petition to amend and update the code of conduct must be made in a new proceeding.
12. Within 60 days after this Order is filed, any electric customer who has at least 3 MW of aggregate load from TNMP may request that TNMP provide them with a dedicated account representative. Within 60 days of the closing of the acquisition, TNMP must assign a dedicated account representative to qualifying electric customers that timely made such a request.
13. If TNMP management seeks approval of a capital project or a series of projects that would be in excess of the approved annual budget by more than 10%, TNMP must identify such variance in excess of this threshold in its annual report to the Commission and provide the reasons for the variance in such annual report.
14. TNMP must continue to make minimum capital expenditures at a level equal to its current five-year budget ending on December 31, 2029, but may reduce capital spending if necessary due to factors outside its control, such as siting delays, project cancellations by third parties, weaker than expected economic conditions, or if a particular expenditure would not be prudent, provided that TNMP identifies any such reductions over 10% in its annual report described in Ordering Paragraph 4.
15. TNMP must provide notice to all parties to this proceeding in the event that a controlled affiliate of Blackstone Infrastructure seeks certification from the Commission to become an Option 1 REP.
16. TNMP must file notice in a new docket and provide notice to all parties to this proceeding promptly following any credit rating downgrade.
17. All compliance filings required by this Order must be made in Docket No. 59246, *Compliance Filing for Docket No. 58536 (Joint Report and Application of Texas-New Mexico Power Company and Troy ParentCo LLC for Regulatory Approvals Under PURA §§ 14.101, 39.262, and 39.915)*. All compliance filings must be filed in searchable optical character recognition .pdf format and must include, for any materials created in a format

other than Microsoft Word, the native electronic spreadsheet files (e.g., Excel) with all formulas, calculations, and references intact.

18. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedent as to the appropriateness of any principle or methodology underlying the agreement, except for the purpose of enforcing the agreement or this Order in any future proceeding.
19. The Commission denies all other motions and other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 6th day of February 2026.

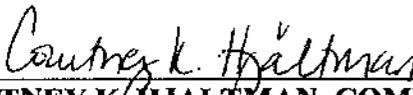
PUBLIC UTILITY COMMISSION OF TEXAS



THOMAS J. GLEESON, CHAIRMAN



KATHLEEN JACKSON, COMMISSIONER



COURTNEY K. HJALTMAN, COMMISSIONER



MORGAN JOHNSON, COMMISSIONER