

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No.

Form 1 Approved
 OMB No.1902-0021
 (Expires 11/30/2022)

Form 1-F Approved
 OMB No.1902-0029
 (Expires 11/30/2022)

Form 3-Q Approved
 OMB No.1902-0205
 (Expires 11/30/2022)



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Texas-New Mexico Power Company	End of 2024/Q4

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

- (a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.
- (b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.
- (c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy
Regulatory Commission
888 First Street, NE
Washington, DC 20426

- (d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____, we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.
- g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/forms.asp#3Q-gas>.

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The **"Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under

adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

- I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

- (3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;
- (4) 'Person' means an individual or a corporation;
- (5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;
- (7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power;
- (11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

- (a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; to the extent the Commission may deem necessary or useful for the purposes of this Act."

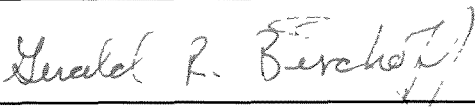
"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent Texas-New Mexico Power Company	02 Year/Period of Report End of 2024/Q4	
03 Previous Name and Date of Change (if name changed during year) //		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 557 North Garden Ridge Blvd , Lewisville, TX 75067		
05 Name of Contact Person Gerald R Bischoff	06 Title of Contact Person VP, Corporate Controller	
07 Address of Contact Person (Street, City, State, Zip Code) 414 Silver Ave SE, Albuquerque, NM 87102		
08 Telephone of Contact Person, <i>Including Area Code</i> (505) 241-2245	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 03/17/2025
ANNUAL CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts</p>		
01 Name Gerald R Bischoff	03 Signature 	04 Date Signed (Mo, Da, Yr) 03/17/2025
02 Title VP, Corporate Controller		
<p>Title 18, U S C 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction</p>		

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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LIST OF SCHEDULES (Electric Utility)			
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".			
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	None
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	None
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	None
16	Electric Plant In Service	204-207	
17	Electric Plant Leased to Others	213	None
18	Electric Plant Held for Future Use	214	
19	Construction Work in Progres-Electirc	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	None
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	None
24	Extraordinary Property Losses	230a	None
25	Unrecovered Plant and Regulatory Study Costs	230b	None
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expenses	254b	None
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	None

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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
	Stockholders' Reports Check appropriate box: <input type="checkbox"/> Two copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared		

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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Gerald R. Bischoff , Vice President, Corporate Controller
414 Silver Ave. SW
Albuquerque, NM 87102-3289

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Texas
April 18, 1963

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Texas
Electric

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) Yes...Enter the date when such independent accountant was initially engaged:

(2) No

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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Texas-New Mexico Power Company ("TNMP") is 100% owned by TNP Enterprises, Inc. ("TNP"). TNP was organized as a holding company in 1983. TNP is 100% owned by TXNM Energy, Inc. ("TXNM"). TXNM, formerly PNM Resources, Inc. ("PNMR") was incorporated in the State of New Mexico in 2000. In 2024, PNMR amended its Articles of Incorporation to change its name to TXNM Energy, Inc.

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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Texas Generating Company, LP (TGC)	Inactive	100%	
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3	Texas Generating Company II, LLC (TGC II)	Inactive	100%	
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OFFICERS			
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>			
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Vice President, Corporate Controller	Gerald R. Bischoff	262,931
2			
3	Senior Vice President, Chief Financial Officer	Elisabeth A. Eden	430,475
4			
5	Vice President, Engineering and Technical Services	Christopher L. Gerety	232,737
6			
7	Vice President, Treasurer	Sabrina G. Greinel	229,162
8			
9	General Counsel, Senior Vice President Regulatory and Public Policy, and Corporate Secretary (eff. 9/16/2024)	Brian G. Iverson	121,154
10			
11	Vice President, Chief Information Officer	Sheila M. Mendez	261,521
12			
13	Vice President, Operations	Keith C. Nix	250,671
14			
15	Chief Executive Officer	Joseph D. Tarry	577,352
16			
17	Vice President, Human Resources	Rebecca R. Teague	336,770
18			
19	President	James N. Walker	296,761
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21	Vice President, Regulatory Affairs	Stacy R. Whitehurst	238,556
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FOOTNOTE DATA

Page 104, Row 1, Column (c)

Officer compensation amounts in column (c) are consolidated amounts for TXNM Energy, Inc.

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DIRECTORS		
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.		
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.		
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Patricia K. Collawn	TXNM Energy
2	Chairman of the Board	414 Silver S.W.
3		Albuquerque, NM 87102-3289
4		
5	Elisabeth A. Eden	TXNM Energy
6	Senior Vice President, Chief Financial Officer	414 Silver S.W.
7	Director	Albuquerque, NM 87102-3289
8		
9	Joseph D. Tarry	TXNM Energy
10	Chief Executive Officer	414 Silver S.W.
11	Director	Albuquerque, NM 87102-3289
12		
13	James N. Walker	Texas-New Mexico Power Company
14	President	557 North Garden Ridge Blvd.
15	Director	Lewisville, TX 75067
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34	Note: Texas-New Mexico Power Company does not have	
35	an Executive Committee	
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)

Item 1 - TNMP holds long-term, non-exclusive franchise agreements for its electric transmission and distribution services. These agreements have varying expiration dates, including some that have expired. TNMP intends to negotiate and execute new or amended franchise agreements with municipalities where the agreements have expired or will be expiring. Since TNMP is the exclusive provider of transmission and distribution services in most areas that it serves, the need to renew or renegotiate franchise agreements should not have a material adverse impact on TNMP's business. TNMP also earns revenues from services provided to facilities in its service area that lie outside the territorial jurisdiction of the municipalities with which TNMP has franchise agreements.

Item 2 - None

Item 3 - None

Item 4 - Refer to Footnote 8 on page 123.34 for information regarding leases.

Item 5 - None

Item 6 - On March 28, 2024, TNMP entered into an agreement (the "TNMP 2024 Bond Purchase Agreement") with institutional investors for the sale of \$285.0 million aggregate principal amount of four series of TNMP first mortgage bonds (the "TNMP 2024 Bonds") offered in private placement transactions. TNMP issued the first two series on March 28, 2024, consisting of \$32.0 million at a 5.26% interest rate, due March 28, 2029, and \$85.0 million at a 5.55% interest rate, due March 28, 2036. The third and fourth series were issued on July 1, 2024, consisting of \$40.0 million at a 5.65% interest rate, due July 1, 2039, and \$128.0 million at a 5.79% interest rate, due July 1, 2054. The proceeds were used to repay existing debt, including the \$80.0 million of 4.03% TNMP FMBs that were due July 2024 and borrowings under the TNMP Revolving Credit Facility, for funding of capital expenditures, and for other corporate purposes. The TNMP 2024 Bonds are subject to continuing compliance with the representations, warranties and covenants set forth in the supplemental indentures governing the TNMP 2024 Bonds. The terms of the supplemental indentures governing the TNMP 2024 Bonds include the customary covenants discussed above. In the event of certain changes of control of TXNM or TNMP, TNMP will be required to offer to prepay the TNMP 2024 Bonds at par. TNMP has the right to redeem any or all of the TNMP 2024 Bonds prior to their maturity, subject to payment of a customary make-whole premium.

On April 1, 2024, TNMP entered into a new \$200.0 million Revolving Credit Facility that replaced the \$100.0 million Revolving Credit Facility. The new \$200.0 million Revolving Credit Facility is secured by \$200.0 million aggregate principal amount of TNMP first mortgage bonds and has a maturity of March 30, 2029, with two one-year extension options that, if exercised, would extend the maturity to March 2031, subject to approval by a majority of the lenders. Variable interest rates for the TNMP revolving credit facility are based on SOFR.

On February 14, 2025, TNMP entered into an agreement (the "TNMP 2025 Bond Purchase Agreement") with institutional investors for the sale of \$140.0 million aggregate principal amount of its 5.19% TNMP first mortgage bonds (the "TNMP 2025 Bonds") offered in private placement transactions. TNMP issued all \$140.0 million at a 5.19% interest rate, due April 1, 2031. The proceeds were used to repay borrowings under the TNMP Revolving Credit Facility, for funding of capital expenditures, and for other corporate purposes. The TNMP 2025 Bonds are subject to continuing compliance with the representations, warranties and covenants set forth in the supplemental indentures governing the TNMP 2025 Bonds. The terms of the supplemental indentures governing the TNMP 2025 Bonds include the customary covenants discussed above. In the event of a change of control, TNMP will be required to offer to prepay the TNMP 2025 Bonds at par. TNMP has the right to redeem any or all of the TNMP 2025 Bonds prior to their maturity, subject to payment of a customary make-whole premium.

See Note 7 to the Consolidated Financial Statements on page 123.25.

Item 7 - None

Item 8 - TNMP's annual merit award program recognized individual employee performance based on established performance targets for the previous calendar year. The most recent merit awards were effective March 15, 2025, and the average award was 2.97% of base salary.

Item 9 - See notes 16 and 17 to the Consolidated Financial Statements on pages 123.64 and 123.75.

Item 10 - None

Item 11 - (Reserved.)

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)

Item 12 - No annual report is issued.

Item 13 - Effective September 16, 2024, Patrick V. Apodaca, Senior Vice President, General Counsel and Secretary retired, and Brian G. Iverson, General Counsel, Senior Vice President Regulatory and Public Policy, and Corporate Secretary was hired.

Item 14 - Not Applicable

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,647,945,132	3,225,663,731
3	Construction Work in Progress (107)	200-201	165,972,698	91,596,056
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,813,917,830	3,317,259,787
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	764,005,060	699,868,577
6	Net Utility Plant (Enter Total of line 4 less 5)		3,049,912,770	2,617,391,210
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	—	—
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		—	—
9	Nuclear Fuel Assemblies in Reactor (120.3)		—	—
10	Spent Nuclear Fuel (120.4)		—	—
11	Nuclear Fuel Under Capital Lease (120.6)		—	—
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	—	—
13	Net Nuclear Fuel (Enter Total of line 7-11 less 12)		—	—
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,049,912,770	2,617,391,210
15	Utility Plant Adjustments (116)		—	—
16	Gas Stored Underground - Noncurrent (117)		—	—
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		2,127,808	2,127,809
19	(Less) Accum. Prov. for Depr. and Amort. (122)		—	—
20	Investments in Associated Companies (123)		—	—
21	Investment in Subsidiary Companies (123.1)	224-225	—	—
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)		—	—
23	Noncurrent Portion of Allowances	228-229	—	—
24	Other Investments (124)		75,255	101,812
25	Sinking Funds (125)		—	—
26	Depreciation Fund (126)		—	—
27	Amortization Fund - Federal (127)		—	—
28	Other Special Funds (128)		—	—
29	Special Funds (Non Major Only) (129)		784,919	990,291
30	Long-Term Portion of Derivative Assets (175)		—	—
31	Long-Term Portion of Derivative Assets - Hedges (176)		—	—
32	TOTAL Other Property and Investments (lines 18-21, 23-31)		2,987,982	3,219,912
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		—	—
35	Cash (131)		233,357	—
36	Special Deposits (132-134)		5,000	5,000
37	Working Fund (135)		—	—
38	Temporary Cash Investments (136)		—	—
39	Notes Receivable (141)		—	—
40	Customer Accounts Receivable (142)		34,418,848	31,411,436
41	Other Accounts Receivable (143)		15,144,413	26,984,320
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		—	—
43	Notes Receivable from Associated Companies (145)		—	—
44	Accounts Receivable from Assoc. Companies (146)		—	—
45	Fuel Stock (151)	227	—	—
46	Fuel Stock Expenses Undistributed (152)	227	—	—
47	Residuals (Elec) and Extracted Products (153)	227	—	—
48	Plant Material and Operating Supplies (154)	227	24,351,337	16,462,296
49	Merchandise (155)	227	—	—
50	Other Materials and Supplies (156)	227	—	—
51	Nuclear Materials Held for Sale (157)	202-203/227	—	—
52	Allowances (158.1 and 158.2)	228-229	—	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		—	—
54	Stores Expenses Undistributed (163)	227	—	—
55	Gas Stored Underground - Current (164.1)		—	—
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		—	—
57	Prepayments (165)		4,935,898	2,694,980
58	Advances for Gas (166-167)		—	—
59	Interest and Dividends Receivable (171)		—	(1,668)
60	Rents Receivable (172)		—	—
61	Accrued Utility Revenues (173)		16,193,000	17,147,000
62	Miscellaneous Current and Accrued Assets (174)		—	—
63	Derivative Instrument Assets (175)		—	—
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		—	—
65	Derivative Instrument Assets - Hedges (176)		—	—
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		—	—
67	Total Current and Accrued Assets (Lines 34 thru 66)		95,281,853	94,703,364
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		8,948,507	7,539,653
70	Extraordinary Property Losses (182.1)	230a	—	—
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	—	—
72	Other Regulatory Assets (182.3)	232	86,236,415	50,685,790
73	Prelim. Survey and Investigation Charges (Electric) (183)		11,815,222	7,702,363
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)		—	—
75	Other Preliminary Survey and Investigation Charges (183.2)		—	—
76	Clearing Accounts (184)		(32,887)	3,593
77	Temporary Facilities (185)		—	—
78	Miscellaneous Deferred Debits (186)	233	227,112,171	226,961,162
79	Def. Losses from Disposition of Utility Plt. (187)		—	—
80	Research, Devel. and Demonstration Expend. (188)	352-353	—	—
81	Unamortized Loss on Reacquired Debt (189)		23,720,759	25,018,985
82	Accumulated Deferred Income Taxes (190)	234	26,250,913	27,673,637
83	Unrecovered Purchased Gas Costs (191)		—	—
84	Total Deferred Debits (lines 69 thru 83)		384,051,100	345,585,183
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,532,233,705	3,060,899,669

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	63,569	63,569
3	Preferred Stock Issued (204)	250-251	—	—
4	Capital Stock Subscribed (202,205)		—	—
5	Stock Liability for Conversion (203, 206)		—	—
6	Premium on Capital Stock (207)		66,224,517	66,224,517
7	Other Paid-In Capital (208-211)	253	803,841,936	779,841,936
8	Installments Received on Capital Stock (212)	252	—	—
9	(Less) Discount on Capital Stock (213)	254	—	—
10	(Less) Capital Stock Expense (214)	254b	—	—
11	Retained Earnings (215, 215.1, 216)	118-119	495,135,703	391,597,557
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	—	—
13	(Less) Reacquired Capital Stock (217)	250-251	—	—
14	Noncorporate Proprietorship (Non-major only) (218)		—	—
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	—	—
16	Total Proprietary Capital (lines 2 thru 15)		1,365,265,725	1,237,727,579
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	1,458,198,000	1,253,198,000
19	(Less) Reacquired Bonds (222)	256-257	—	—
20	Advances from Associated Companies (223)	256-257	—	—
21	Other Long-Term Debt (224)	256-257	—	—
22	Unamortized Premium on Long-Term Debt (225)		14,143,246	14,918,219
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		—	—
24	Total Long-Term Debt (lines 18 through 23)		1,472,341,246	1,268,116,219
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		6,671,748	8,832,761
27	Accumulated Provision for Property Insurance (228.1)		—	—
28	Accumulated Provision for Injuries and Damages (228.2)		2,463,037	1,859,274
29	Accumulated Provision for Pensions and Benefits (228.3)		998,053	1,479,780
30	Accumulated Miscellaneous Operating Provisions (228.4)		—	—
31	Accumulated Provision for Rate Refunds (229)		—	—
32	Long-Term Portion of Derivative Instrument Liabilities		—	—
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		—	—
34	Asset Retirement Obligations (230)		955,130	898,544
35	Total Other Noncurrent Liabilities (lines 26 through 34)		11,087,968	13,070,359
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		151,600,000	55,100,000
38	Accounts Payable (232)		67,116,177	51,620,278
39	Notes Payable to Associated Companies (233)		—	—
40	Accounts Payable to Associated Companies (234)		7,338,922	6,932,206
41	Customer Deposits (235)		—	—
42	Taxes Accrued (236)	262-263	35,031,830	42,234,570
43	Interest Accrued (237)		21,708,636	15,323,660
44	Dividends Declared (238)		—	—
45	Matured Long-Term Debt (239)		—	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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STATEMENT OF INCOME

Quarterly

- Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
- Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
- Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
- If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

- Do not report fourth quarter data in columns (e) and (f)
- Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Current Year to Date Balance for Quarter/ (c)	Total Prior Year to Date Balance for Quarter/ Year (d)	Months Ended Quarterly Only No 4th (e)	Months Ended Quarterly Only No 4th (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	592,224,613	535,391,735	—	—
3	Operating Expenses					
4	Operating Expenses (401)	320-323	220,473,685	207,761,888	—	—
5	Maintenance Expenses (402)	320-323	21,179,583	22,182,206	—	—
6	Depreciation Expense (403)	336-337	122,840,576	109,408,843	—	—
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	429	431	—	—
8	Amort. & Depl. Of Utility Plant (404-405)	336-337	2,215,184	1,367,345	—	—
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	—	—	—	—
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)		—	1,628,664	—	—
11	Amort. of Conversion Expenses (407)		—	—	—	—
12	Regulatory Debits (407.3)		—	—	—	—
13	(Less) Regulatory Credits (407.4)		—	27,153	—	—
14	Taxes Other Than Income Taxes (408.1)	262-263	44,441,257	41,311,252	—	—
15	Income Taxes - Federal (409.1)	262-263	(3,344,978)	10,730,617	—	—
16	- Other (409.1)	262-263	3,234,404	3,055,143	—	—
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	52,745,716	27,484,134	—	—
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	26,386,319	24,596,185	—	—
19	Investment Tax Credit Adj. - Net (411.4)	266	—	—	—	—
20	(Less) Gains from Disp. Of Utility Plant (411.6)		19,522	—	—	—
21	Losses from Disp. Of Utility Plant (411.7)		91	—	—	—
22	(Less) Gains from Disposition of Allowances (411.8)		—	—	—	—
23	Losses from Disposition of Allowances (411.9)		—	—	—	—
24	Accretion Expense (411.10)		76,109	70,393	—	—
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		437,456,215	400,377,578	—	—
26	Net Util Oper Inc (Enter Tot Line 2 less 25), Carry to Pg117, line 27		154,768,398	135,014,157	—	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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STATEMENT OF INCOME FOR THE YEAR (continued)						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Ended Quarterly Only No (e)	Ended Quarterly Only No (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		154,768,398	135,014,157	—	—
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		3,188,671	1,203,929	—	—
32	(Less) Costs and Exp. Of Merchandising, Job. & Contract Work (416)		3,149,431	1,211,380	—	—
33	Revenues from Nonutility Operations (417)		—	—	—	—
34	(Less) Expenses of Nonutility Operations (417.1)		—	—	—	—
35	Nonoperating Rental Income (418)		—	—	—	—
36	Equity in Earnings of Subsidiary Companies (418.1)	119	—	—	—	—
37	Interest and Dividend Income (419)		566,602	1,134,604	—	—
38	Allowance for Other Funds Used During Construction (419.1)		4,844,246	5,146,446	—	—
39	Miscellaneous Nonoperating Income (421)		3,088,833	2,328,473	—	—
40	Gain on Disposition of Property (421.1)		354,526	80	—	—
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		8,893,447	8,602,152	—	—
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		(4,205)	1,246	—	—
44	Miscellaneous Amortization (425)		—	—	—	—
45	Donations (426.1)		89,178	124,495	—	—
46	Life Insurance (426.2)		26,556	—	—	—
47	Penalties (426.3)		11,689	72,747	—	—
48	Exp for Certain Civic, Political & Related Activities (426.4)		254,419	266,305	—	—
49	Other Deductions (426.5)		(21,811)	1,488,103	—	—
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		355,826	1,952,896	—	—
51	Taxes Applic. To Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	—	—	—	—
53	Income Taxes - Federal (409.2)	262-263	796,121	622,987	—	—
54	Income Taxes - Other (409.2)	262-263	64,601	—	—	—
55	Provision for Deferred Income Taxes (410.2)	234, 272-277	739,335	—	—	—
56	(Less) Provision for Deferred Income Taxes-Cr (411.2)	234, 272-277	735,254	—	—	—
57	Investment Tax Credit Adj. - Net (411.5)		—	—	—	—
58	(Less) Investment Tax Credits (420)		—	—	—	—
59	TOTAL Taxes on Other Income and Deduction (Total of lines 52-58)		864,803	622,987	—	—
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		7,672,818	6,026,269	—	—
61	Interest Charges					
62	Interest on Long-Term Debt (427)		58,591,808	46,808,149	—	—
63	Amort. of Debt Disc. and Expense (428)		863,393	804,800	—	—
64	Amortization of Loss on Reacquired Debt (428.1)		1,298,226	1,298,226	—	—
65	(Less) Amort. of Premium on Debt-Credit (429)		774,972	774,972	—	—
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		—	—	—	—
67	Interest on Debt to Assoc. Companies (430)		210,473	128,877	—	—
68	Other Interest Expense (431)		6,690,635	3,487,508	—	—
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		7,976,493	5,663,956	—	—
70	Net Interest Charges (Total of lines 62 thru 69)		58,903,070	46,088,632	—	—
71	Income Before Extraordinary Items (Total of Lines 27, 60 and 70)		103,538,146	94,951,794	—	—
72	Extraordinary Items					
73	Extraordinary Income (434)		—	—	—	—
74	(Less) Extraordinary Deductions (435)		—	—	—	—
75	Net Extraordinary Items (Total of Line 73 less line 74)		—	—	—	—
76	Income Taxes-Federal and Other (409.3)	262-263	—	—	—	—
77	Extraordinary Items After Taxes (line 75 less line 76)		—	—	—	—
78	Net Income (Total of lines 71 and 77)		103,538,146	94,951,794	—	—

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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/ Year Year to Date Balance (c)	Previous Quarter Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		391,597,557	296,645,763
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)		—	—
10	Dividends to Parent		—	—
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)		—	—
16	Balance Transferred from Income (Account 433 less Account 418.1)		103,538,146	94,951,794
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	Total Appropriations of Retained Earnings (Acct. 436)		—	—
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Account 437)		—	—
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Account 438)		—	—
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		—	—
38	Balance - End of Period (Total 1, 9, 15, 16, 22, 29, 36, 37)		495,135,703	391,597,557
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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STATEMENT OF CASH FLOWS			
<p>1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>			
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	103,538,146	94,951,794
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	—	—
4.1	Depreciation Expense (A/C 403)	122,840,576	109,408,843
4.2	Depreciation Expense for Asset Retirement Costs (A/C 403.1)	429	431
4.3	Accretion Expense (A/C 411.10)	76,109	70,393
4.4	Amortization & Depletion of Utility Plant (A/C 404, 405)	2,215,184	1,367,345
5	Amortization of Debt Expense & Loss on Recquired Debt	1,776,547	1,475,385
6	Amortization of Regulatory Assets & Liabilities	—	1,601,512
7			
8	Deferred Income Taxes (Net)	26,363,478	2,887,949
9	Investment Tax Credit Adjustment (Net)	—	—
10	Net (Increase) Decrease in Receivables	(2,053,412)	1,915,536
11	Net (Increase) Decrease in Inventory	(7,889,040)	(5,619,526)
12	Net (Increase) Decrease in Allowances Inventory	—	—
13	Net Increase (Decrease) in Payables and Accrued Expenses	(2,854,313)	6,169,942
14	Net (Increase) Decrease in Other Regulatory Assets	(37,024,511)	5,565,421
15	Net Increase (Decrease) in Other Regulatory Liabilities	(6,634,360)	(4,899,486)
16	(Less) Allowance for Other Funds Used During Construction	4,844,246	5,146,446
17	(Less) Undistributed Earnings from Subsidiary Companies	—	—
18	Other: Net (Increase) Decrease in Current Assets	16,504,365	1,966,584
19	Other: Net (Increase) Decrease in Deferred Debits	2,152,409	1,277,961
20	Other: Net Increase (Decrease) in Deferred Credits	940,922	2,177,489
21	Regulatory Disallowances	—	1,172,936
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	215,108,283	216,344,063
23			
24	Cash Flows from Investment Activities:	—	—
25	Construction and Acquisition of Plant (including land):	—	—
26	Gross Additions to Utility Plant (less nuclear fuel)	(538,066,101)	(460,923,629)
27	Gross Additions to Nuclear Fuel	—	—
28	Gross Additions to Common Utility Plant	—	—
29	Gross Additions to Nonutility Plant	—	—
30	(Less) Allowance for Other Funds Used During Construction	4,844,246	5,146,446
31	Capitalized interest	(185,578)	(98,499)
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(543,095,925)	(466,168,574)
35			
36	Acquisition of Other Noncurrent Assets (d)	—	—
37	Proceeds from Disposal of Noncurrent Assets (d)	—	—
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	—	—
40	Contributions and Advances from Assoc. and Subsidiary Companies	—	—
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies	—	—
43			
44	Purchase of Investment Securities (a)	—	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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STATEMENT OF CASH FLOWS			
<p>1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>			
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
45	Proceeds from Sales of Investment Securities (a)	—	—
46	Loans Made or Purchased	—	—
47	Collections on Loans	—	—
48			
49	Net (Increase) Decrease in Receivables	—	—
50	Net (Increase) Decrease in Inventory	—	—
51	Net (Increase) Decrease in Allowances Held for Speculation	—	—
52	Net Increase (Decrease) in Payables and Accrued Expenses	—	—
53	Other (provide details in footnote):	—	—
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	(543,095,925)	(466,168,574)
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	285,000,000	185,000,000
62	Preferred Stock	—	—
63	Common Stock	—	—
64	Other (provide details in footnote):	—	—
65	Equity Contributions from Parent	24,000,000	40,900,000
66	Net Increase in Short-Term Debt (c)	96,500,000	18,400,000
67	Other (provide details in footnote):	—	—
67.1	Transmission Interconnection Arrangements	11,250,000	11,000,000
68	Net (Decrease) Increase in Affiliated Short-Term Debt	—	—
69		—	—
70	Cash Provided by Outside Sources (Total 61 thru 69)	416,750,000	255,300,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	(80,000,000)	—
74	Preferred Stock	—	—
75	Common Stock	—	—
76	Other (provide details in footnote):	—	—
76.1	Debt Issuance Cost and Other, Net	(3,679,001)	(1,975,489)
76.2	Refunds Paid Under Transmission Interconnection Arrangements	(4,850,000)	(3,500,000)
77			
78	Net Decrease in Short-Term Debt (c)	—	—
79			
80	Dividends on Preferred Stock	—	—
81	Dividends on Common Stock	—	—
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	328,220,999	249,824,511
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	233,357	—
87			
88	Cash and Cash Equivalents at Beginning of Period	—	—
89			
90	Cash and Cash Equivalents at End of period	233,357	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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FOOTNOTE DATA

Page 121, Row 90, Column (b)

	December-31 2024	December-31 2023
Cash and Cash Equivalents at End of Period	\$ 233,357	\$ —
	\$ 233,357	\$ —

Supplemental Cash Flow disclosures:

Interest paid, net of capitalized interest	\$ 50,955,798	\$ 41,847,180
Income taxes paid (refunded), net	\$ 11,020,828	\$ 16,903,969

Supplemental Noncash Investing and Financing Activities:

(Increase) decrease in accrued plant additions	\$ (16,328,365)	\$ (17,297,158)
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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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NOTES TO FINANCIAL STATEMENTS (Continued)

GLOSSARY

Definitions:

2024 Forward Sale Agreements	TXNM's forward sale agreements under the TXNM 2024 ATM Program
2024 Rate Change	PNM's request for a general increase in electric rates filed with the NMPRC on December 5, 2022 using a calendar year 2024 FTY
2025 Rate Request	PNM's request for a general increase in electric rates filed with the NMPRC on June 14, 2024 using a FTY beginning July 1, 2025
2026 Resource Application	PNM's October 25, 2023 application with the NMPRC for approval of resources to be available for the 2026 summer peak
ABCWUA	Albuquerque Bernalillo County Water Utility Authority
ABO	Accumulated Benefit Obligation
ACE Rule	Affordable Clean Energy Rule
AEP OnSite Partners	AEP OnSite Partners, LLC, a subsidiary of American Electric Power, Inc.
Afton	Afton Generating Station
AFUDC	Allowance for Funds Used During Construction
AMI	Advanced Metering Infrastructure
AMS	Advanced Meter System
AOCI	Accumulated Other Comprehensive Income
APBO	Accumulated Postretirement Benefit Obligation
APS	Arizona Public Service Company, the operator and a co-owner of PVNGS and Four Corners
ARO	Asset Retirement Obligation
ARP	Alternative Revenue Program
ASU	Accounting Standards Update
Avangrid	Avangrid, Inc., a New York corporation
BART	Best Available Retrofit Technology
Board	Board of Directors of TXNM
BSER	Best system of emission reduction technology
BTU	British Thermal Unit
CAA	Clean Air Act
CAISO	California Independent System Operator
Carbon Pollution Standards	Carbon Pollution Standards established by the EPA on August 3, 2015
Casa Mesa Wind	Casa Mesa Wind Energy Center
CCN	Certificate of Convenience and Necessity
CCR	Coal Combustion Residuals
CCS	Carbon Capture Storage/ Sequestration
CIAC	Contributions in Aid of Construction
CO ₂	Carbon Dioxide
CODM	Chief Operating Decision Maker
Community Solar Act	Senate Bill 84 effective June 18, 2021
Convertible Notes	TXNM's \$550.0 Million junior subordinated convertible notes issued on June 10, 2024 and June 21, 2024
COVID-19	Novel coronavirus global pandemic
CPI	Collateral Protection Insurance

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NOTES TO FINANCIAL STATEMENTS (Continued)

CSA	Coal Supply Agreement
CWIP	Construction work in progress
DC Circuit	United States Court of Appeals for the District of Columbia Circuit
DCRF	Distribution cost recovery filing
DOE	United States Department of Energy
EDAM	Extended Day Ahead Market
EEL	Edison Electric Institute, an association representing all US investor-owned electric companies
Effective Time	The time the Merger is consummated
EGU	Electric Generating Unit
EIM	Western Energy Imbalance Market developed and operated by CAISO
ELG	Effluent Limitation Guidelines
Energy Transition Charge	Rate rider established to collect non-bypassable customer charges for repayment of the ETBC I Securitized Bonds
EPA	United States Environmental Protection Agency
EPE	El Paso Electric Company
ERCOT	Electric Reliability Council of Texas
ESA	Energy Storage Agreement
ESG	Environmental, Social, and Governance principles
ETA	The New Mexico Energy Transition Act
ETBC I	PNM Energy Transition Bond Company I, LLC, formed on August 25, 2023
ETBC I Securitized Bonds	On November 15, 2023, ETBC I issued \$343.2 Million aggregate principal amount of its senior secured energy transition bonds, Series A in two tranches.
EUEA	The New Mexico Efficient Use of Energy Act
EV	Electric Vehicle
Exchange Act	Securities Exchange Act of 1934
Farmington	The City of Farmington, New Mexico
FASB	Financial Accounting Standards Board
FAST Act	SEC's modernization and simplification of Regulation S-K
FERC	Federal Energy Regulatory Commission
FIP	A Federal Implementation Plan (FIP) is an air quality plan developed by the EPA under certain circumstances to help states or tribes attain and/or maintain the NAAQS for criteria air pollutants and fulfill other requirements of the Clean Air Act.
FMB	First Mortgage Bond
Four Corners	Four Corners Power Plant
Four Corners Abandonment Application	PNM's January 8, 2021 application for approval for the abandonment of Four Corners and issuance of a securitized financing order
Four Corners CSA	Four Corners' coal supply contract with NTEC
Four Corners Purchase and Sale Agreement	PNM's pending sale of its 13% ownership interest in Four Corners to NTEC
FPPAC	Fuel and Purchased Power Adjustment Clause
FTY	Future Test Year
GAAP	Generally Accepted Accounting Principles in the United States of America
GHG	Greenhouse Gas Emissions

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NOTES TO FINANCIAL STATEMENTS (Continued)

Grid Modernization Application	PNM's October 3, 2022 application for approval of grid modernization investments of approximately \$344 Million for the first six years of a broader 11-year strategy
GWh	Gigawatt hours
IBEW	International Brotherhood of Electrical Workers
INDC	Intended Nationally Determined Contribution
IRA	Inflation Reduction Act
IRC	Internal Revenue Code
IRP	Integrated Resource Plan
IRS	Internal Revenue Service
ISFSI	Independent Spent Fuel Storage Installation
kV	Kilovolt
KW	Kilowatt
KWh	Kilowatt Hour
La Joya Wind I	La Joya Wind Facility generating 166 MW of output that became operational in February 2021
La Joya Wind II	La Joya Wind Facility generating 140 MW of output that became operational in June 2021
La Luz	La Luz Generating Station
Leased Interest	Leased capacity in PVNGS Unit 1 and Unit 2
Lightning Dock Geothermal	Lightning Dock geothermal power facility, also known as the Dale Burgett Geothermal Plant
Lordsburg	Lordsburg Generating Station
Luna	Luna Energy Facility
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	The merger of TXNM pursuant to the Merger Agreement, with TXNM surviving the Merger as a direct, wholly-owned subsidiary of Avangrid. (Subsequently terminated December 31, 2023)
Merger Agreement	The Agreement and Plan of Merger, dated October 20, 2020. (Subsequently terminated December 31, 2023)
Meta	Meta Platform, Inc., formerly known as Facebook Inc.
MMBTU	Million BTUs
Moody's	Moody's Investor Services, Inc.
MW	Megawatt
MWh	Megawatt Hour
NAAQS	National Ambient Air Quality Standards
NDT	Nuclear Decommissioning Trusts for PVNGS
NEE	New Energy Economy
NERC	North American Electric Reliability Corporation
New Mexico Wind	New Mexico Wind Energy Center
NM 2015 Rate Case	Request for a General Increase in Electric Rates Filed by PNM on August 27, 2015
NM 2016 Rate Case	Request for a General Increase in Electric Rates Filed by PNM on December 7, 2016
NM AREA	New Mexico Affordable Reliable Energy Alliance, formerly New Mexico Industrial Energy Consumers Inc.

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NOTES TO FINANCIAL STATEMENTS (Continued)

NM Supreme Court	New Mexico Supreme Court
NMED	New Mexico Environment Department
NMMMD	The Mining and Minerals Division of the New Mexico Energy, Minerals and Natural Resources Department
NMPRC	New Mexico Public Regulation Commission
NMRD	NM Renewable Development, LLC, owned 50% each by PNMR Development and AEP OnSite Partners, LLC
NOx	Nitrogen Oxides
NPDES	National Pollutant Discharge Elimination System
NRC	United States Nuclear Regulatory Commission
NTEC	Navajo Transitional Energy Company, LLC, an entity owned by the Navajo Nation
OATT	Open Access Transmission Tariff
OCI	Other Comprehensive Income
OMB	Office of Management and Budget
OPEB	Other Post-Employment Benefits
OSM	United States Office of Surface Mining Reclamation and Enforcement
Paris Agreement	A legally binding international treaty on climate change adopted on December 12, 2015
Pattern Wind	Pattern New Mexico Wind, LLC, an affiliate of Western Spirit and Pattern Development
PBO	Projected Benefit Obligation
PCRBs	Pollution Control Revenue Bonds
PM	Particulate Matter
PNM	Public Service Company of New Mexico and Subsidiaries
PNM New Mexico Credit Facility	PNM's \$40.0 Million Unsecured Revolving Credit Facility
PNM 2019 \$40.0 Million Term Loan	PNM's \$40.0 Million Unsecured Term Loan
PNM 2021 Note Purchase Agreement	PNM's Agreement for the sale of PNM's 2021 SUNs
PNM 2021 SUNs	PNM's \$160.0 Million Senior Unsecured Notes issued on July 14, 2021
PNM 2021 Term Loan	PNM's \$75.0 Million 18-month Unsecured Term Loan that was repaid on August 5, 2022
PNM 2022 Delayed- Draw Term Loan	PNM's \$225.0 Million Unsecured Term Loan that matures February 5, 2024
PNM 2023 Note Purchase Agreement	PNM's agreement for sale of PNM's 2023 SUNs
PNM 2023 SUNs	PNM's \$200.0 million Senior Unsecured Notes issued on April 28, 2023
PNM 2024 SUNs	PNM's \$200.0 Million Senior Unsecured Notes in which \$150 Million matures on April 28, 2035 and \$50 Million matures on April 28, 2053
PNM 2024 Term Loan	PNM's \$200 Million Unsecured Term Loan issued on May 10, 2024
PNM 2025 Term Loan	PNM's \$195 Million Unsecured Term Loan issued on January 21, 2025
PNM Revolving Credit Facility	PNM's \$400.0 Million Unsecured Revolving Credit Facility
PNM September 2021 Note Purchase Agreement	PNM's Agreement for the sale of PNM's September 2021 SUNs
PNM September 2021 SUNs	PNM's \$150.0 Million Senior Unsecured Notes issued on December 2, 2021

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NOTES TO FINANCIAL STATEMENTS (Continued)

PNMR Development	PNMR Development and Management Company, an unregulated wholly-owned subsidiary of TXNM
PPA	Power Purchase Agreement
PSPS Plan	PNM's Public Safety Power Shutoff Plan filed with the NMPRC on May 1, 2024
PUCT	Public Utility Commission of Texas
PV	Photovoltaic
PVNGS	Palo Verde Nuclear Generating Station
PVNGS Leased Interest Abandonment Application	Application with the NMPRC requesting approval for the decertification and abandonment of 114MW of leased PVNGS capacity
RCT	Reasonable Cost Threshold
RD	Recommended Decision
REA	New Mexico's Renewable Energy Act of 2004
RECs	Renewable Energy Certificates
Red Mesa Wind	Red Mesa Wind Energy Center
REP	Retail Electricity Provider
RFP	Request For Proposal
Rio Bravo	Rio Bravo Generating Station, formerly known as Delta
ROE	Return on Equity
RPS	Renewable Energy Portfolio Standard
S&P	Standard and Poor's Ratings Services
SCE	Southern California Edison Company
SCPPA	Southern California Public Power Authority
SEC	United States Securities and Exchange Commission
Securities Act	The Securities Act of 1933, as amended
Securitized Bonds	Energy transition bonds
SIP	State Implementation Plan
SJCC	San Juan Coal Company
SJGS	San Juan Generating Station
SJGS Abandonment Application	PNM's July 1, 2019 consolidated application seeking NMPRC approval to retire PNM's share of SJGS in 2022, for related replacement generating resources, and for the issuance of Securitized Bonds under the ETA
SJGS CSA	San Juan Generating Station Coal Supply Agreement
SO ₂	Sulfur Dioxide
SOFR	Secured Overnight Financing Rate
SRP	Salt River Project
SUNs	Senior Unsecured Notes
Tax Act	Federal tax reform legislation enacted on December 22, 2017, commonly referred to as the Tax Cuts and Jobs Act
TCEQ	Texas Commission on Environmental Quality
TCOS	Transmission Cost of Service
TECA	Texas Electric Choice Act
TEP	Transportation Electrification Program
TNMP	Texas-New Mexico Power Company and Subsidiaries
TNMP 2018 Rate Case	TNMP's General Rate Case Application filed on May 30, 2018
TNMP 2022 Bonds	TNMP's First Mortgage Bonds to be issued under the TNMP 2022 Bond Purchase Agreement

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NOTES TO FINANCIAL STATEMENTS (Continued)

TNMP 2022 Bond Purchase Agreement	TNMP's Agreement for the sale of an aggregate \$160.0 Million of TNMP's 2022 Bonds
TNMP 2023 Bonds	TNMP's First Mortgage Bonds to be issued under the TNMP 2023 Bond Purchase Agreement
TNMP 2023 Bond Purchase Agreement	TNMP's Agreement for the sale of an aggregate \$185.0 Million of TNMP's 2023 Bonds
TNMP 2024 Bonds	TNMP's First Mortgage Bonds to be issued under the TNMP 2024 Bond Purchase Agreement
TNMP 2024 Bond Purchase Agreement	TNMP's Agreement for the sale of an aggregate \$285.0 Million of TNMP's 2024 Bonds
TNMP 2025 Bonds	TNMP's First Mortgage Bonds to be issued under the TNMP 2025 Bond Purchase Agreement
TNMP 2025 Bond Purchase Agreement	TNMP's Agreement for the sale of an aggregate \$140.0 Million of TNMP's 2025 Bonds
TNMP Revolving Credit Facility	TNMP's \$200.0 Million Secured Revolving Credit Facility
TNP	TNP Enterprises, Inc. and Subsidiaries
TOD	Time of Day
TSAs	Transmission Service Agreements
Tucson	Tucson Electric Power Company
TXNM	TXNM Energy, Inc. formerly known as PNM Resources, Inc. ("PNMR")
TXNM 2020 Forward Equity Sale Agreements	TXNM's Block Equity Sale of 6.2 Million Shares of TXNM Common Stock with Forward Sales Agreement
TXNM 2021 Delayed-Draw Term Loan	TXNM's \$1.0 Billion Unsecured Delayed-Draw Term Loan that matures on May 18, 2025
TXNM 2022 ATM Program	TXNM's agreement to sell up to an aggregate sales price of \$200.0 Million of common stock
TXNM 2023 Term Loan	TXNM \$500.0 Million term loan that matures on June 30, 2026
TXNM 2024 ATM Program	TXNM's distribution agreement pursuant to which the Company may sell, from time to time, up to an aggregate sales price of \$300.0 Million of its common stock, no par value, through the sales agents
TXNM Revolving Credit Facility	TXNM's \$300.0 Million Unsecured Revolving Credit Facility
U.S.	The United States of America
US Supreme Court	United States Supreme Court
Valencia	Valencia Energy Facility
VIE	Variable Interest Entity
WACC	Weighted Average Cost of Capital
Western Spirit Line	An approximately 150-mile 345-kV transmission line that PNM purchased in December 2021
Westmoreland	Westmoreland Coal Company
WFB LOC Facility	Letter of credit arrangements with Wells Fargo Bank, N.A., entered into in August 2020
WMP	PNM's Wildfire Mitigation Plan filed with the NMPRC on May 1, 2024
WRAP	Western Resource Adequacy Program
WSJ	Westmoreland San Juan, LLC, an indirect wholly-owned subsidiary of Westmoreland

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WSJ LLC	Westmoreland San Juan, LLC, a subsidiary of Westmoreland Mining Holdings, LLC, and current owner of SJCC
WSPP	Western Systems Power Pool

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NOTES TO FINANCIAL STATEMENTS (Continued)

Reconciliation of FERC and GAAP Differences

The financial statements presented herein are prepared in accordance with the accounting requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than GAAP. The primary differences between the FERC accounting requirements and GAAP are (1) deferred tax assets (Account 190) are shown on the asset side of the balance sheet for FERC purposes, but are netted against deferred tax liabilities under GAAP; (2) the current portion of long-term debt is shown in current liabilities under GAAP, but not for FERC purposes; (3) the tax effect of the items included in the Statement of Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities is not required to be disclosed separately for FERC, but is required under GAAP; (4) cost of removal for GAAP is reclassified and recorded as a regulatory liability, whereas under FERC it is in Account 108 (Accumulated Provision for Depreciation of Electric Utility Plant); (5) certain components of the costs of pension and OPEB plans are recorded as regulatory assets for GAAP, but capitalized in other accounts (primarily, Account 107, Construction Work in Progress) for FERC and other components of the costs of pension and OPEB plans are charged to Other (deductions) for GAAP, but charged to Account 926 (Employee Pensions and Benefits) for FERC; (6) accumulated provision for injuries and damages is recorded net of expected insurance proceeds for FERC, but not for GAAP; (7) debt issuance costs are classified as a reduction of the related long-term debt under GAAP, but not for FERC purposes; (8) Leases are recorded differently for GAAP and FERC (see additional discussion below); (9) costs associated with proposed Avangrid Merger are reported as utility operating expenses for GAAP and as other deductions (426.5) for FERC; (10) certain classifications are treated differently for FERC purposes than under GAAP.

Leases

Accounting and Financial Reporting for Leases Accounting Standards Update (ASU) No. 2016-02 – FERC Docket No. A19-1-000 TNMP adopted accounting guidance (ASU) No. 2016-02, Leases (Topic 842) on January 1, 2019. Under FASB's new guidance, lessees are required to recognize on the balance sheet assets and liabilities for the rights and obligations created by lease arrangements for operating leases with terms of more than 12 months. The changes in accounting will have no impact on existing ratemaking treatment at TNMP.

Additional disclosure information specified by FERC is provided below.

Utility Plant excluding leases	3,801,909,073
Operating leases	922,542
Financing leases*	11,086,215
Total Utility Plant	<u>3,813,917,830</u>

Obligations under operating leases	167,407
Obligations under financing leases	6,504,341
Total non-current lease obligations	<u>6,671,748</u>

Obligations under operating leases	713,471
Obligations under financing leases	4,527,099
Total current lease obligations	<u>5,240,570</u>

* Under GAAP, financing leases are depreciated, and interest expense is determined using the effective interest method resulting in higher interest expense at the beginning of the lease term, declining as the lease liability is reduced. Under FERC, interest expense on lease obligations is not recognized. Rather, the regulations provide that the amounts recorded for the financing lease asset and the related obligation are reduced by equal and offsetting amounts over the lease term.

Refer to Footnote 8 on page 123.34 for additional information regarding leases.

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NOTES TO FINANCIAL STATEMENTS (Continued)

A reconciliation of FERC Form 1 earnings to GAAP for the year ended December 31, 2024 is as follows:

	Earnings (in thousands)
Form 1 Earnings	103,538
Impacts of converting leases from FERC to GAAP	(10)
GAAP Earnings	103,528

The following Notes to Consolidated Financial Statements (see pages 123.9 - 123.94) represent those included in TNMP's Annual Report on Form 10-K, which are a component part of the financial statements prepared in accordance with GAAP and SEC reporting requirements. These notes are not significantly different than those prepared in support of the other comprehensive basis of accounting discussed above. The following Notes to Consolidated Financial Statements include disclosures for TXNM, PNM, and TNMP. Information solely applicable to TXNM or PNM should be disregarded.

(1) Summary of the Business and Significant Accounting Policies

Nature of Business

TXNM is an investor-owned holding company with two regulated utilities providing electricity and electric services in New Mexico and Texas. TXNM's primary subsidiaries are PNM and TNMP. PNM is a public utility with regulated operations primarily engaged in the generation, transmission, and distribution of electricity. In 2023, ETBC I, a special purpose entity that is wholly-owned by PNM, was formed for the limited purpose of purchasing, owning, and administering energy transition property, issuing Securitized Bonds, and performing related activities. See Note 7. TNMP is a wholly-owned subsidiary of TNP, which is a holding company that is wholly-owned by TXNM. TNMP provides regulated transmission and distribution services in Texas. TXNM's common stock trades on the New York Stock Exchange under the symbol TXNM.

Financial Statement Preparation and Presentation

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could ultimately differ from those estimated.

On August 2, 2024, PNM Resources, Inc. ("PNMR") amended its Articles of Incorporation to change its name to TXNM Energy, Inc. ("TXNM") and increased the number of authorized shares of the Company's common stock from 120,000,000 to 200,000,000. The Notes to Consolidated Financial Statements include disclosures for TXNM, PNM, and TNMP. This report uses the term "Company" when discussing matters of common applicability to TXNM, PNM, and TNMP. Discussions regarding only TXNM, PNM, or TNMP are so indicated. Certain amounts in the 2023 and 2022 Consolidated Financial Statements and Notes thereto have been reclassified to conform to the 2024 financial statement presentation.

GAAP defines subsequent events as events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. Based on their nature, magnitude, and timing, certain subsequent events may be required to be reflected at the balance sheet date and/or required to be disclosed in the financial statements. The Company has evaluated subsequent events accordingly.

Principles of Consolidation

The Consolidated Financial Statements of each of TXNM, PNM, and TNMP include their accounts and those of subsidiaries in which that entity owns a majority voting interest. PNM also consolidates Valencia and ETBC I (Note 10). PNM owns undivided interests in jointly-owned power plants and records its pro-rata share of the assets, liabilities, and expenses for those plants. The agreements for the jointly-owned plants provide that if

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NOTES TO FINANCIAL STATEMENTS (Continued)

an owner were to default on its payment obligations, the non-defaulting owners would be responsible for their proportionate share of the obligations of the defaulting owner. In exchange, the non-defaulting owners would be entitled to their proportionate share of the generating capacity of the defaulting owner. There have been no such payment defaults under any of the agreements for the jointly-owned plants.

PNMR Services Company expenses, which represent costs that are primarily driven by corporate level activities, are charged to the business segments. These services are billed at cost and are reflected as general and administrative expenses in the business segments. Other significant intercompany transactions between TXNM, PNM, and TNMP include intercompany loans, interest and income tax sharing payments, as well as equity transactions, and interconnection billings. All intercompany transactions and balances have been eliminated. See Note 20.

Accounting for the Effects of Certain Types of Regulation

The Company maintains its accounting records in accordance with the uniform system of accounts prescribed by FERC and adopted by the NMPRC and PUCT.

Certain of the Company's operations are regulated by the NMPRC, PUCT, and FERC and the provisions of GAAP for rate-regulated enterprises are applied to the regulated operations. Regulators may assign costs to accounting periods that differ from accounting methods applied by non-regulated utilities. When it is probable that regulators will permit recovery of costs through future rates, costs are deferred as regulatory assets that otherwise would be expensed. Likewise, regulatory liabilities are recognized when it is probable that regulators will require refunds through future rates or when revenue is collected for expenditures that have not yet been incurred. GAAP also provides for the recognition of revenue and regulatory assets and liabilities associated with "alternative revenue programs" authorized by regulators. Such programs allow the utility to adjust future rates in response to past activities or completed events, if certain criteria are met. Regulatory assets and liabilities are amortized into earnings over the authorized recovery period. Accordingly, the Company has deferred certain costs and recorded certain liabilities pursuant to the rate actions of the NMPRC, PUCT, and FERC. Information on regulatory assets and regulatory liabilities is contained in Note 13.

In some circumstances, regulators allow a requested increase in rates to be implemented, subject to refund, before the regulatory process has been completed and a decision rendered by the regulator. When this occurs, the Company assesses the possible outcomes of the rate proceeding. The Company records a provision for refund to the extent the amounts being collected, subject to refund, exceed the amount the Company determines is probable of ultimately being allowed by the regulator.

Cash and Restricted Cash

Investments in highly liquid investments with original maturities of three months or less at the date of purchase are considered cash and cash equivalents. Cash deposits received and held for a period of time that are restricted to a specific purpose, under the terms of their effective agreements, are considered restricted cash. PNM and TXNM have restricted cash balances related to the ETBC I Securitized Bonds. Restricted cash amounts are included in Other current assets and Other deferred charges on the Consolidated Balance Sheets as of December 31, 2024 and 2023. See Note 10. At December 31, 2024 and 2023 there was no restricted cash for TNMP. At December 31, 2022 there was no restricted cash for TXNM, PNM, and TNMP.

Utility Plant

Utility plant is stated at original cost and includes capitalized payroll-related costs such as taxes, pension, other fringe benefits, administrative costs, and AFUDC, where authorized by rate regulation, or capitalized interest.

Repairs, including major maintenance activities, and minor replacements of property are expensed when incurred, except as required by regulators for ratemaking purposes. Major replacements are charged to utility plant. Gains, losses, and costs to remove resulting from retirements or other dispositions of regulated property in the normal course of business are credited or charged to accumulated depreciation.

PNM and TNMP may receive reimbursements, referred to as CIAC, from customers to pay for all or part of certain construction projects to the extent the project does not benefit regulated customers in general. PNM and

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TNMP account for these reimbursements as offsets to utility plant additions based on the requirements of the NMPRC, FERC, and PUCT. Due to the PUCT's regulatory treatment of CIAC reimbursements, TNMP also receives a financing component that is recognized as Other income on the Consolidated Statements of Earnings. Under the NMPRC regulatory treatment, PNM typically does not receive a financing component.

Depreciation and Amortization

PNM's provision for depreciation and amortization of utility plant, other than nuclear fuel, is based upon straight-line rates approved by the NMPRC and FERC. Amortization of nuclear fuel is based on units-of-production. TNMP's provision for depreciation and amortization of utility plant is based upon straight-line rates approved by the PUCT. Depreciation and amortization of non-utility property, including right-of-use assets for finance leases as discussed in Note 8, is computed based on the straight-line method. The provision for depreciation of certain equipment is allocated between operating expenses and construction projects based on the use of the equipment.

Average straight-line rates used were as follows:

	Year ended December 31,		
	2024	2023	2022
PNM			
Electric plant	2.87 %	2.67 %	2.55 %
Common, intangible, and general plant	14.06	7.64	7.83
TNMP	3.74	3.77	3.72

Depreciation expense on electric, common, intangible, and general plant is as follows:

	Year ended December 31,		
	2024	2023	2022
	(In thousands)		
PNM	\$ 188,035	\$ 158,956	\$ 163,162
TNMP	124,976	110,675	96,131

Allowance for Funds Used During Construction

As provided by the FERC uniform systems of accounts, AFUDC is charged to regulated utility plant for construction projects. This allowance is designed to enable a utility to capitalize financing costs during periods of construction of property subject to rate regulation. It represents the cost of borrowed funds (allowance for borrowed funds used during construction or "debt AFUDC") and a return on other funds (allowance for equity funds used during construction or "equity AFUDC"). The debt AFUDC is recorded in interest charges and the equity AFUDC is recorded in other income on the Consolidated Statements of Earnings.

For the years ended December 31, 2024, 2023, and 2022, PNM recorded \$12.9 million, \$9.5 million, and \$3.7 million of debt AFUDC at annual rates of 3.19%, 2.99%, and 1.70% and \$13.0 million, \$9.8 million, and \$9.3 million of equity AFUDC at annual rates of 3.30%, 3.24%, and 4.26%. For the years ended December 31, 2024, 2023, and 2022, TNMP recorded \$8.0 million, \$5.7 million, and \$3.4 million of debt AFUDC at rates of 4.14%, 3.49%, and 2.25% and \$4.8 million, \$5.1 million, and \$4.5 million of equity AFUDC at rates of 2.48%, 3.17%, and 2.99%.

Materials, Supplies, and Fuel Stock

Materials and supplies relate to transmission, distribution, and generating assets. Materials and supplies are charged to inventory when purchased and are expensed or capitalized as appropriate when issued. Materials and supplies are valued using an average costing method.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Inventories consisted of the following at December 31:

	TXNM		PNM		TNMP	
	2024	2023	2024	2023	2024	2023
	(In thousands)					
Fuel Oil	\$ 1,095	\$ 896	\$ 1,095	\$ 896	\$ —	\$ —
Materials and supplies	165,766	97,138	141,415	80,676	24,351	16,462
	<u>\$ 166,861</u>	<u>\$ 98,034</u>	<u>\$ 142,510</u>	<u>\$ 81,572</u>	<u>\$ 24,351</u>	<u>\$ 16,462</u>

Investments

PNM holds investment securities in the NDT for the purpose of funding its share of the decommissioning costs of PVNGS, a trust for PNM's share of decommissioning costs at SJGS, and trusts for PNM's share of final reclamation costs related to the coal mines that served SJGS and continue to serve Four Corners (Note 16). Investments (both equity and available-for-sale debt securities) are measured at fair value on a quarterly basis with changes in fair value for equity securities recognized in earnings for that period. Since third party investment managers have sole discretion over the purchase and sale of the securities (under general guidelines and targets provided by management), PNM records an impairment, as a realized loss, for any available-for-sale debt security that has a fair value which is less than cost at the end of each quarter. For the years ended December 31, 2024, 2023 and 2022, PNM recorded impairment losses on the available-for-sale debt securities of \$17.8 million, \$(19.1) million and \$25.8 million. No gains or losses are deferred as regulatory assets or liabilities. See Notes 3 and 9. All investments are held in PNM's name and are in the custody of major financial institutions. The specific identification method is used to determine the cost of securities disposed of, with realized gains and losses reflected in other income and deductions.

As discussed above, PNM immediately records an impairment loss for any available-for-sale debt security that has a fair value that is less than its carrying value. As a result, the Company has no available-for-sale debt securities for which carrying value exceeds fair value and there are no impairments considered to be "other than temporary" that are included in AOCI and not recognized in earnings. All gains and losses resulting from sales and changes in the fair value of equity securities are recognized immediately in earnings.

Equity Method Investment

TXNM accounted for its investment in NMRD using the equity method of accounting because TXNM's ownership interest resulted in significant influence, but not control, over NMRD and its operations. TXNM recorded as income its percentage share of earnings or loss of NMRD and carried its investment at cost, adjusted for its share of undistributed earnings or losses, until its investment was sold on February 27, 2024. See Note 21.

Goodwill

The Company does not amortize goodwill. Goodwill is evaluated for impairment annually, or more frequently if events and circumstances indicate that the goodwill might be impaired. See Note 19.

Asset Impairment

Tangible long-lived assets and right-of-use assets associated with leases are evaluated in relation to the estimated future undiscounted cash flows to assess recoverability when events and circumstances indicate that the assets might be impaired.

Revenue Recognition

See Note 4 for a discussion of electric operating revenues.

Accounts Receivable and Allowance for Credit Losses

See Note 4 for a discussion of accounts receivable and the allowance for credit losses.

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Amortization of Debt Acquisition Costs

Discount, premium, and expense related to the issuance of long-term debt are amortized over the lives of the respective issues. Gains and losses incurred upon the early retirement of long-term debt are recognized in other income or other deductions, except for amounts recoverable through NMPRC, FERC, or PUCT regulation, which are recorded as regulatory assets or liabilities and amortized over the lives of the respective issues. Unamortized premium, discount, and expense related to long-term debt are reflected as part of the related liability on the Consolidated Balance Sheets.

Derivatives

The Company records derivative instruments, including energy contracts, on the balance sheet as either an asset or liability measured at their fair value. Changes in the derivatives' fair value are recognized in earnings unless specific hedge accounting criteria are met. PNM also records certain commodity derivative transactions recoverable through NMPRC regulation as regulatory assets or liabilities. See Note 9.

The Company treats all forward commodity purchases and sales contracts subject to unplanned netting or "book-out" by the transmission provider as derivative instruments subject to mark-to-market accounting. GAAP provides guidance on whether realized gains and losses on derivative contracts not held for trading purposes should be reported on a net or gross basis and concludes such classification is a matter of judgment that depends on the relevant facts and circumstances. See Note 4.

Decommissioning and Reclamation Costs

PNM is only required to recognize and measure decommissioning liabilities for tangible long-lived assets for which a legal obligation exists. Nuclear decommissioning costs and related accruals are based on periodic site-specific estimates of the costs for removing all radioactive and other structures at PVNGS and are dependent upon numerous assumptions, including estimates of future decommissioning costs at current price levels, inflation rates, and discount rates. PNM's accruals for PVNGS Units 1, 2, and 3, including portions previously held under leases, have been made based on such estimates, the guidelines of the NRC, and the PVNGS license periods. PNM records its share of the SJGS decommissioning obligation as an ARO on its Consolidated Balance Sheets. Studies on the decommissioning costs of SJGS are performed periodically and revisions to the ARO liability are recorded. See Note 16.

In connection with both the SJGS and Four Corners coal supply agreements, the owners are required to reimburse the mining companies for the cost of contemporaneous reclamation, as well as the costs for final reclamation of the coal mines. The reclamation costs are based on periodic site-specific studies that estimate the costs to be incurred in the future and are dependent upon numerous assumptions, including estimates of future reclamation costs at current price levels, inflation rates, and discount rates. PNM considers the contemporaneous reclamation costs part of the cost of its delivered coal costs. See Note 16 for a discussion of reclamation costs.

Environmental Costs

The normal operations of the Company involve activities and substances that expose the Company to potential liabilities under laws and regulations protecting the environment. Liabilities under these laws and regulations can be material and may be imposed without regard to fault, or may be imposed for past acts, even though the past acts may have been lawful at the time they occurred.

The Company records its environmental liabilities when site assessments or remedial actions are probable, and a range of reasonably likely cleanup costs can be estimated. The Company reviews its sites and measures the liability by assessing a range of reasonably likely costs for each identified site using currently available information and the probable level of involvement and financial condition of other potentially responsible parties. These estimates are based on assumptions regarding the costs for site investigations, remediation, operations and maintenance, monitoring, and site closure. The ultimate cost to clean up the Company's identified sites varies from its recorded liability due to numerous uncertainties inherent in the estimation process. See Note 16.

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Pension and Other Postretirement Benefits

See Note 11 for a discussion of pension and postretirement benefits expense, including a discussion of the actuarial assumptions.

Stock-Based Compensation

See Note 12 for a discussion of stock-based compensation expense.

Income Taxes

Income taxes are recognized using the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax basis. All deferred taxes are reflected as non-current on the Consolidated Balance Sheets. Current NMPRC, FERC, and PUCT approved rates include the tax effects of the majority of these differences. Rate-regulated enterprises are required to record deferred income taxes for temporary differences accorded flow-through treatment at the direction of a regulatory commission. The resulting deferred tax assets and liabilities are recorded based on the expected cash flow to be reflected in future rates. Because the NMPRC, FERC, and the PUCT have consistently permitted the recovery of tax effects previously flowed-through earnings, the Company has established regulatory assets and liabilities offsetting such deferred tax assets and liabilities. The Company recognizes only the impact of tax positions that, based on their merits, are more likely than not to be sustained upon an IRS audit. The Company defers investment tax credits and amortizes them over the estimated useful lives of the assets. See Note 18 for additional information, including a discussion of the impacts of the Tax Act.

The Company makes an estimate of its anticipated effective tax rate for the year as of the end of each quarterly period within its fiscal year. In interim periods, income tax expense is calculated by applying the anticipated annual effective tax rate to year-to-date earnings before taxes. Certain unusual or infrequently occurring items, as well as adjustments due to enactment of new tax laws, have been excluded from the estimated annual effective tax rate calculation.

Lease Commitments

See Note 8 for a discussion of lease commitments.

New Accounting Pronouncements

Information concerning recently issued accounting pronouncements that have not yet been adopted by the Company is presented below. The Company does not expect difficulty in adopting these standards by their required effective dates.

Accounting Standards Update 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09 enhancing the transparency and decision usefulness of income tax disclosures. Disclosure requirements of this update include (on an annual basis) the disclosure of specific categories in the rate reconciliation and the inclusion of additional information for reconciling items that meet a quantitative threshold (if the effect of the reconciling item is equal to or greater than 5 percent of the amount computed by multiplying pre-tax income by the applicable statutory rate). The amendment also requires the disclosure (on an annual basis) of information about income taxes paid (net of refunds) including, the disaggregation by federal, state, and foreign taxes as well as by individual jurisdiction. Additional requirements include the disclosure of income (loss) from continuing operations before income tax expense (benefit) disaggregated between foreign and domestic as well as income tax expense (benefit) from continuing operations disaggregated by federal, state, and foreign. ASU 2023-09 is effective for the Company beginning January 1, 2025 with early adoption being permitted. ASU 2023-09 is to be applied on a prospective basis with retrospective application permitted.

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Accounting Standards Update 2024-03 - Income Statement (Subtopic 220-40): Reporting Comprehensive Income - Expense Disaggregation Disclosures

In November 2024, the FASB issued ASU 2024-03 that will require disclosure, in the notes to the financial statements, of specified information about certain costs and expenses at each interim and annual period. Disclosures should include amounts for purchases of inventory, employee compensation, depreciation and, intangible asset amortization; certain amounts that are already required to be disclosed under GAAP in the same disclosure as other disaggregation requirements; qualitative descriptions of the amounts remaining in relevant expense categories that are not disaggregated; the total amount of selling expenses including the entity's definition of selling expenses. In January 2025, ASU 2025-01 was issued to clarify that the amendments of ASU 2024-03 are effective for public business entities for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027.

(2) Segment Information

TXNM has three reportable segments including PNM, TNMP, and Corporate and other. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The measure of profitability used by the CODM is Segment earnings (loss) attributable to TXNM, as presented below. The CODM uses this measure of profitability to allocate resources for each segment predominantly in the annual budget and forecasting process. The CODM considers budget to actual variances on a regular basis when making decisions about allocating capital and operational expense funding to the segments. TXNM's CODM is its President and COO who is also the CEO of the PNM and TNMP segments.

PNM

PNM includes the retail electric utility operations of PNM that are subject to traditional rate regulation by the NMPRC. PNM provides integrated electricity services that include the generation, transmission, and distribution of electricity for retail electric customers in New Mexico. PNM also includes the generation and sale of electricity into the wholesale market, which includes the asset optimization of PNM's jurisdictional capacity as well as providing transmission services to third parties. FERC has jurisdiction over wholesale power and transmission rates. PNM includes the results of ETBC I upon its formation in 2023.

TNMP

TNMP is an electric utility providing services in Texas under the TECA. TNMP's operations are subject to traditional rate regulation by the PUCT. TNMP provides transmission and distribution services at regulated rates to various REPs that, in turn, provide retail electric service to consumers within TNMP's service area. TNMP also provides transmission services at regulated rates to other utilities that interconnect with TNMP's facilities.

Corporate and Other

The Corporate and Other segment includes TXNM holding company activities, primarily related to corporate level debt and PNMR Services Company. The activities of PNMR Development and the equity method investment in NMRD are also included in Corporate and Other until the close of the sale of NMRD on February 27, 2024 (Note 21). Eliminations of intercompany transactions are reflected in the Corporate and Other segment.

The following tables present summarized financial information for TXNM by segment. PNM and TNMP each operate in only one segment. Therefore, tabular segment information is not presented for PNM and TNMP.

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2024	PNM	TNMP	Corporate and Other	TXNM Consolidated
	(In thousands)			
Electric operating revenues	\$1,379,088	\$ 592,111	\$ —	\$ 1,971,199
Cost of energy				
Fuel burn	130,380	—	—	130,380
Purchases for resale	286,399	—	—	286,399
Transmission by others	18,139	149,066	—	167,205
Significant segment expenses				
Administrative and general - direct	63,105	(1,452)	151,089	212,742
Administrative and general - corporate allocation	132,209	53,166	(185,375)	—
Customer related expenses	31,246	2,997	131	34,374
Energy production costs	93,748	—	—	93,748
Regulatory disallowances	8,980	—	—	8,980
Depreciation and amortization	221,780	125,915	37,230	384,925
Transmission and distribution costs	61,302	37,078	—	98,380
Taxes other than income taxes	49,807	44,441	6,332	100,580
Total operating expenses	<u>1,097,095</u>	<u>411,211</u>	<u>9,407</u>	<u>1,517,713</u>
Net other income and (deductions)	61,494	8,725	(15,399)	54,820
Interest charges	(106,018)	(58,983)	(63,065)	(228,066)
Income taxes (benefit)	29,217	27,114	(34,813)	21,518
Valencia non-controlling interest	(16,040)	—	—	(16,040)
Subsidiary preferred stock dividends	(528)	—	—	(528)
Segment earnings (loss) attributable to TXNM	<u>\$ 191,684</u>	<u>\$ 103,528</u>	<u>\$ (53,058)</u>	<u>\$ 242,154</u>
At December 31, 2024:				
Total Assets	\$7,407,279	\$3,649,125	\$ 155,329	\$ 11,211,733
Goodwill	\$ 51,632	\$ 226,665	\$ —	\$ 278,297

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NOTES TO FINANCIAL STATEMENTS (Continued)

2023	PNM	TNMP	Corporate and Other	TXNM Consolidated
	(In thousands)			
Electric operating revenues	\$ 1,403,948	\$ 535,250	\$ —	\$ 1,939,198
Cost of energy				
Fuel burn	138,538	—	—	138,538
Purchases for resale	499,921	—	—	499,921
Transmission by others	25,155	138,647	—	163,802
Significant segment expenses				
Administrative and general - direct	52,554	2,710	139,010	194,274
Administrative and general - corporate allocation	124,321	47,470	(171,791)	—
Customer related expenses	29,775	3,783	68	33,626
Energy production costs	91,610	—	—	91,610
Regulatory disallowances	70,750	1,173	—	71,923
Depreciation and amortization	177,633	113,142	28,728	319,503
Transmission and distribution costs	61,725	36,996	—	98,721
Taxes other than income taxes	48,790	41,311	5,839	95,940
Total operating expenses	<u>1,320,772</u>	<u>385,232</u>	<u>1,854</u>	<u>1,707,858</u>
Net other income and (deductions)	41,358	8,368	(182)	49,544
Interest charges	(86,574)	(46,152)	(57,629)	(190,355)
Income taxes (benefit)	(16,758)	17,297	(16,889)	(16,350)
Valencia non-controlling interest	(18,533)	—	—	(18,533)
Subsidiary preferred stock dividends	(528)	—	—	(528)
Segment earnings (loss) attributable to TXNM	<u>\$ 35,657</u>	<u>\$ 94,937</u>	<u>\$ (42,776)</u>	<u>\$ 87,818</u>
At December 31, 2023:				
Total Assets	\$ 6,813,065	\$ 3,145,031	\$ 294,509	\$ 10,252,605
Goodwill	\$ 51,632	\$ 226,665	\$ —	\$ 278,297

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2022	PNM	TNMP	Corporate and Other	TXNM Consolidated
	(In thousands)			
Electric operating revenues	\$ 1,766,825	\$ 482,730	\$ —	\$ 2,249,555
Cost of energy				
Fuel burn	299,411	—	—	299,411
Purchases for resale	541,828	—	—	541,828
Trading mark-to-market	(456)	—	—	(456)
Transmission by others	23,230	123,928	—	147,158
Significant segment expenses				
Administrative and general - direct	62,505	3,607	130,336	196,448
Administrative and general - corporate allocation	115,416	42,293	(157,709)	—
Customer related expenses	26,925	3,692	84	30,701
Energy production costs	147,347	—	—	147,347
Regulatory disallowances	832	—	—	832
Depreciation and amortization	180,812	98,316	25,725	304,853
Transmission and distribution costs	58,278	36,406	—	94,684
Taxes other than income taxes	49,210	38,521	5,258	92,989
Total operating expenses	1,505,338	346,763	3,694	1,855,795
Net other income and (deductions)	(62,196)	8,653	(999)	(54,542)
Interest charges	(61,073)	(37,192)	(29,643)	(127,908)
Income taxes (benefit)	19,198	15,161	(8,229)	26,130
Valencia non-controlling interest	(15,122)	—	—	(15,122)
Subsidiary preferred stock dividends	(528)	—	—	(528)
Segment earnings (loss) attributable to TXNM	\$ 103,370	\$ 92,267	\$ (26,107)	\$ 169,530
At December 31, 2022:				
Total Assets	\$ 6,272,166	\$ 2,746,601	\$ 238,610	\$ 9,257,377
Goodwill	\$ 51,632	\$ 226,665	\$ —	\$ 278,297

Significant Segment Expenses

Reflected above are certain additional categories of operating expenses that are regularly provided to the CODM. Cost of energy consists primarily of fuel and purchase power costs for PNM and costs charged by third-party transmission providers for TNMP. Administrative and general - direct expenses are those that are incurred directly by the segment while corporate allocation are those costs that are incurred by the corporate and other segment and allocated to the utilities based on the nature of the cost incurred. Corporate allocation is eliminated in the corporate and other segment. Customer related expenses include meter reading, customer service, and bad debt expenses.

Major Customers

PNM's participation in EIM, operated by CAISO, accounted for approximately 4%, 15%, and 24% of electric operating revenues during the years ended December 31, 2024, 2023, and 2022. These revenues are passed on to customers under PNM's FPPAC with no impact to net earnings.

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Two REPs during the years ended December 31, 2024, 2023, and 2022 accounted for more than 10% of the electric operating revenues of TNMP as follows:

	Year Ended December 31,		
	2024	2023	2022
REP A	26 %	25 %	27 %
REP B	20	19	20

(3) Accumulated Other Comprehensive Income (Loss)

AOCI reports a measure for accumulated changes in equity that result from transactions and other economic events other than transactions with shareholders. Information regarding AOCI is as follows:

	Accumulated Other Comprehensive Income (Loss)				
	PNM			TXNM	
	Unrealized Gains on Available- for-Sale Securities	Pension Liability Adjustment	Total	Fair Value Adjustment for Cash Flow Hedges	Total
	(In thousands)				
Balance at December 31, 2021	\$ 11,715	\$ (83,651)	\$ (71,936)	\$ —	\$ (71,936)
Amounts reclassified from AOCI (pre-tax)	(3,827)	7,104	3,277	(1,176)	2,101
Income tax impact of amounts reclassified	972	(1,804)	(832)	299	(533)
Other OCI changes (pre-tax)	(1,928)	(4,565)	(6,493)	12,285	5,792
Income tax impact of other OCI changes	490	1,159	1,649	(3,121)	(1,472)
Net after-tax change	(4,293)	1,894	(2,399)	8,287	5,888
Balance at December 31, 2022	<u>7,422</u>	<u>(81,757)</u>	<u>(74,335)</u>	<u>8,287</u>	<u>(66,048)</u>
Amounts reclassified from AOCI (pre-tax)	(7,199)	4,776	(2,423)	9,287	6,864
Income tax impact of amounts reclassified	1,828	(1,212)	616	(2,359)	(1,743)
Other OCI changes (pre-tax)	11,529	1,389	12,918	(15,483)	(2,565)
Income tax impact of other OCI changes	(2,928)	(353)	(3,281)	3,933	652
Net after-tax change	3,230	4,600	7,830	(4,622)	3,208
Balance at December 31, 2023	<u>10,652</u>	<u>(77,157)</u>	<u>(66,505)</u>	<u>3,665</u>	<u>(62,840)</u>
Amounts reclassified from AOCI (pre-tax)	(13,108)	4,866	(8,242)	10,348	2,106
Income tax impact of amounts reclassified	3,330	(1,236)	2,094	(2,629)	(535)
Other OCI changes (pre-tax)	(885)	(3,210)	(4,095)	(15,260)	(19,355)
Income tax impact of other OCI changes	225	815	1,040	3,876	4,916
Net after-tax change	(10,438)	1,235	(9,203)	(3,665)	(12,868)
Balance at December 31, 2024	<u>\$ 214</u>	<u>\$ (75,922)</u>	<u>\$ (75,708)</u>	<u>\$ —</u>	<u>\$ (75,708)</u>

The Consolidated Statements of Earnings include pre-tax amounts reclassified from AOCI related to Unrealized Gains on Available-for-Sale Debt Securities in gains (losses) on investment securities, related to

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Pension Liability Adjustment in other (deductions), and related to Fair Value Adjustment for Cash Flow Hedges in interest charges. The income tax impacts of all amounts reclassified from AOCI are included in income taxes in the Consolidated Statements of Earnings.

(4) Electric Operating Revenues

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consists primarily of trade receivables from customers. In the normal course of business, credit is extended to customers on a short-term basis. The Company estimates the allowance for credit losses on trade receivables based on historical experience and estimated default rates. Accounts receivable balances are reviewed monthly, adjustments to the allowance for credit losses are made as necessary and amounts that are deemed uncollectible are written off. In addition to the allowance for credit losses on trade receivables, the Company has evaluated other receivables for potential credit related losses. These balances include potential exposures for other non-retail utility services. In the years ended December 31, 2024 and 2023, there were no estimated credit losses related to these transactions.

Revenue Recognition

Retail electric operating revenues are recorded in the period of energy delivery, which includes estimated amounts for service rendered but unbilled at the end of each accounting period. The determination of the energy sales billed to individual retail customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading and the corresponding unbilled revenue are estimated. Unbilled electric revenue is estimated based on daily generation volumes, estimated customer usage by class, line losses, historical trends and experience, applicable customer rates or by using AMS data where available. Amounts billed are generally due within the next month. The Company does not incur incremental costs to obtain contracts for its energy services.

PNM's wholesale electricity sales are recorded as electric operating revenues and wholesale electricity purchases are recorded as costs of energy sold. Derivative contracts that are subject to unplanned netting are recorded net in earnings. A "book-out" is the planned or unplanned netting of off-setting purchase and sale transactions. A book-out is a transmission mechanism to reduce congestion on the transmission system or administrative burden. For accounting purposes, a book-out is the recording of net revenues upon the settlement of a derivative contract.

Unrealized gains and losses on derivative contracts that are not designated for hedge accounting are classified as economic hedges. Economic hedges are defined as derivative instruments, including long-term power and fuel supply agreements, used to hedge generation assets and purchased power costs. Changes in the fair value of economic hedges are reflected in results of operations, with changes related to economic hedges on sales included in operating revenues and changes related to economic hedges on purchases included in cost of energy sold. See Note 9.

The Company has collaborative arrangements related to its interest in SJGS, Four Corners, PVNGS, and Luna. The Company has determined that during the years ended December 31, 2024, 2023, and 2022 none of the joint owners in its collaborative arrangements were customers under Topic 606. The Company will continue to evaluate transactions between collaborative arrangement participants in future periods under the revenue recognition standard.

PNM and TNMP recognize revenue as they satisfy performance obligations, which typically occurs as the customer or end-user consumes the electric service provided. Electric services are typically for a bundle of services that are distinct and transferred to the end-user in one performance obligation measured by KWh or KW. Electric operating revenues are recorded in the period of energy delivery, including estimated unbilled amounts. The Company has elected to exclude all sales and similar taxes from revenue.

Revenue from contracts with customers is recorded based upon the total authorized tariff or market price at the time electric service is rendered, including amounts billed under arrangements qualifying as an Alternative Revenue Program ("ARP"). ARP arrangements are agreements between PNM or TNMP and its regulator that allow PNM or TNMP to adjust future rates in response to past activities or completed events, if certain criteria are

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met. ARP revenues are required to be reported separately from contracts with customers. ARP revenues in a given period include the recognition of "originating" ARP revenues (i.e. when the regulator-specific conditions are met) in the period, offset by the reversal of ARP revenues currently approved for recovery by the governing bodies.

Sources of Revenue

Additional information about the nature of revenues is provided below. Additional information about matters affecting PNM's and TNMP's regulated revenues is provided in Note 17.

Revenue from Contracts with Customers

PNM

NMPRC Regulated Retail Electric Service – PNM provides electric generation, transmission, and distribution service to its rate-regulated customers in New Mexico. PNM's retail electric service territory covers a large area of north central New Mexico, including the cities of Albuquerque, Rio Rancho, and Santa Fe, and certain areas of southern New Mexico. Customer rates for retail electric service are set by the NMPRC and revenue is recognized as energy is delivered to the customer. PNM invoices customers on a monthly basis for electric service and generally collects billed amounts within one month.

Transmission Service to Third Parties – PNM owns transmission lines that are interconnected with other utilities in New Mexico, Texas, Arizona, Colorado, and Utah. Transmission customers receive service for the transmission of energy owned by the customer utilizing PNM's transmission facilities. Customers generally receive transmission services, which are regulated by FERC, from PNM through PNM's Open Access Transmission Tariff ("OATT") or a specific contract. Customers are billed based on capacity and energy components on a monthly basis. PNM owns the Western Spirit Line and services under related transmission agreements use an incremental rate, approved by FERC, that is separate from the formula rate mechanism.

Wholesale Energy Sales – PNM engages in activities to optimize its existing jurisdictional assets and long-term power agreements through spot market, hour-ahead, day-ahead, week-ahead, month-ahead, and other sales of excess generation not required to fulfill retail load and contractual commitments. PNM participates in the EIM (a real-time wholesale energy trading market operated by the CAISO) that enables participating electric utilities to buy and sell energy. The NMPRC granted PNM authority to seek recovery of costs associated with joining the EIM, which have been included in the 2024 Rate Change and to pass the benefits of participating in EIM to customers through the FPPAC. PNM's participation in EIM has significantly increased Electric operating revenues which are passed on to customers under PNM's FPPAC with no impact to net earnings.

TNMP

PUCT Regulated Retail Electric Service – TNMP provides transmission and distribution services in Texas under the provisions of TECA and the Texas Public Utility Regulatory Act. TNMP is subject to traditional cost-of-service regulation with respect to rates and service under the jurisdiction of the PUCT and certain municipalities. TNMP's transmission and distribution activities are solely within ERCOT and not subject to traditional rate regulation by FERC. TNMP provides transmission and distribution services at regulated rates to various REPs that, in turn, provide retail electric service to consumers within TNMP's service territory. Revenue is recognized as energy is delivered to the consumer. TNMP invoices REPs on a monthly basis and is generally paid within a month.

TCOS – TNMP is a transmission service provider that is allowed to recover its TCOS through a network transmission rate that is approved by the PUCT. TCOS customers are other utilities that receive service for the transmission of energy owned by the customer utilizing TNMP's transmission facilities.

Alternative Revenue Programs

The Company defers certain costs and records certain liabilities pursuant to the rate actions of the NMPRC, PUCT, and FERC. ARP revenues, which are discussed above, include recovery or refund provisions under PNM's renewable energy rider and true-ups to PNM's formula transmission rates; transmission cost

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recovery factor, and the impacts of the PUCT's January 25, 2018 order regarding the change in the federal corporate income tax rate; the energy efficiency incentive bonus at both PNM and TNMP; and PNM's TOD rate pilot program. Regulatory assets and liabilities are recognized for the difference between ARP revenues and amounts currently approved for recovery by the governing bodies. Regulatory assets and liabilities are amortized into earnings as amounts are billed. TNMP's 2018 Rate Case integrated AMS costs into base rates beginning January 1, 2019. These costs are being amortized into earnings as alternative revenues over a period of five years.

Other Electric Operating Revenues

Other electric operating revenues consist primarily of PNM's economic hedges that meet the definition of a derivative and are therefore not considered revenue from contracts with customers. Derivative revenues include gains and losses representing changes in fair value (Note 9) and settlements from sales of electricity under forward sales contracts.

Disaggregation of Revenues

A disaggregation of revenues from contracts with customers by the type of customer is presented in the table below. The table also reflects ARP revenues and other revenues.

Year Ended December 31, 2024	PNM	TNMP (In thousands)	TXNM Consolidated
Electric Operating Revenues:			
Contracts with customers:			
Retail electric revenue			
Residential	\$ 541,581	\$ 203,227	\$ 744,808
Commercial	460,311	166,858	627,169
Industrial	123,754	35,300	159,054
Public authority	23,161	7,329	30,490
Economy energy service	25,481	—	25,481
Transmission	141,058	157,049	298,107
Wholesale energy sales	64,903	—	64,903
Miscellaneous	5,776	3,813	9,589
Total revenues from contracts with customers	<u>1,386,025</u>	<u>573,576</u>	<u>1,959,601</u>
Alternative revenue programs	(9,720)	18,535	8,815
Other electric operating revenues	2,783	—	2,783
Total Electric Operating Revenues	<u><u>\$ 1,379,088</u></u>	<u><u>\$ 592,111</u></u>	<u><u>\$ 1,971,199</u></u>

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	PNM	TNMP	TXNM Consolidated
Year Ended December 31, 2023	(In thousands)		
Electric Operating Revenues:			
Contracts with customers:			
Retail electric revenue			
Residential	\$ 425,448	\$ 190,953	\$ 616,401
Commercial	391,964	155,254	547,218
Industrial	90,084	45,508	135,592
Public authority	21,018	6,777	27,795
Economy energy service	34,340	—	34,340
Transmission	159,475	135,831	295,306
Wholesale energy sales	248,801	—	248,801
Miscellaneous	5,676	3,739	9,415
Total revenues from contracts with customers	1,376,806 ¹	538,062	1,914,868 ¹
Alternative revenue programs	9,419	(2,812)	6,607
Other electric operating revenues	17,723	—	17,723
Total Electric Operating Revenues	\$ 1,403,948	\$ 535,250	\$ 1,939,198

¹ Included in revenue from contracts with customers at PNM and TXNM is a \$128.7 million reduction associated with the SJGS abandonment settlement and a \$38.4 million reduction associated with PVNGS leased capacity as a result of the NMPRC final order in the 2024 Rate Change.

	PNM	TNMP	TXNM Consolidated
Year Ended December 31, 2022	(In thousands)		
Electric Operating Revenues:			
Contracts with customers:			
Retail electric revenue			
Residential	\$ 484,699	\$ 187,951	\$ 672,650
Commercial	422,163	154,059	576,222
Industrial	85,102	36,919	122,021
Public authority	21,330	6,379	27,709
Economy energy service	45,009	—	45,009
Transmission	149,421	113,782	263,203
Wholesale energy sales	534,196	—	534,196
Miscellaneous	5,390	3,817	9,207
Total revenues from contracts with customers	1,747,310	502,907	2,250,217
Alternative revenue programs	692	(20,177)	(19,485)
Other electric operating revenues	18,823	—	18,823
Total Electric Operating Revenues	\$ 1,766,825	\$ 482,730	\$ 2,249,555

Contract Balances

Performance obligations related to contracts with customers are typically satisfied when the energy is delivered, and the customer or end-user utilizes the energy. Accounts receivable from customers represent amounts billed, including amounts under ARPs. For PNM, accounts receivable reflected on the Consolidated Balance Sheets, net of allowance for credit losses, includes \$94.3 million and \$93.6 million at December 31, 2024 and 2023 resulting from contracts with customers. All of TNMP's accounts receivable results from contracts with customers.

Contract assets are an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance). Upon the completion of the Western Spirit Line, PNM entered into a

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TSA with Pattern Wind under an incremental tariff rate approved by FERC. The terms of the agreement provide for a financing component that benefits the customer. As such, the revenue that PNM recognizes will be in excess of the consideration received at the beginning of the service term resulting in a contract asset. The balance of the contract asset was \$32.0 million at December 31, 2024 and \$22.1 million at December 31, 2023, and is included in Other deferred charges on the Consolidated Balance Sheets.

Contract liabilities arise when consideration is received in advance from a customer before satisfying the performance obligations. Therefore, revenue is deferred and not recognized until the obligation is satisfied. Under its OATT, PNM accepts upfront consideration for capacity reservations requested by transmission customers, which requires PNM to defer the customer's transmission capacity rights for a specific period of time. PNM recognizes the revenue of these capacity reservations over the period it defers the customer's capacity rights. Other utilities pay PNM and TNMP in advance for the joint-use of their utility poles. These revenues are recognized over the period of time specified in the joint-use contract, typically for one calendar year. Deferred revenues on these arrangements are recorded as contract liabilities. TXNM's, PNM's, and TNMP's contract liabilities and related revenues are not material for any of the periods presented. The Company has no other arrangements with remaining performance obligations to which a portion of the transaction price would be required to be allocated.

(5) Earnings and Dividends Per Share

Basic earnings per share is computed by dividing net earnings attributable to TXNM by the weighted average number of common shares outstanding during the period. Diluted earnings per share was computed by dividing net earnings attributable to TXNM by the diluted weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other agreements to issue common stock were settled. TXNM applies the treasury stock method for restricted stock, the 2022 ATM Program, and the 2024 ATM Program. The if-converted method is applied in determining the potential dilutive effect of the conversion of outstanding Convertible Notes.

Information regarding the computation of earnings per share and dividends per share is as follows:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands, except per share amounts)		
Net Earnings Attributable to TXNM	\$ 242,154	\$ 87,818	\$ 169,530
Average Number of Common Shares:			
Outstanding during year	90,214	86,038	85,835
Vested awards of restricted stock	320	258	287
Average Shares – Basic	90,534	86,296	86,122
Dilutive Effect of Common Stock Equivalents:			
TXNM ATM Programs	12	38	—
Restricted stock	45	35	47
Average Shares – Diluted	90,591	86,369	86,169
Net Earnings Attributable to TXNM Per Share of Common Stock:			
Basic	\$ 2.67	\$ 1.02	\$ 1.97
Diluted	\$ 2.67	\$ 1.02	\$ 1.97
Dividends Declared per Common Share	\$ 1.57	\$ 1.49	\$ 1.41

(6) Stockholders' Equity

Common Stock and Equity Contributions

On August 2, 2024, TXNM increased the number of authorized shares of the Company's common stock from 120,000,000 to 200,000,000.

On December 30, 2024, TXNM physically settled 2,458,951 shares sold under forward sales agreements pursuant to the TXNM 2024 ATM Program. The settlement included \$0.8 million for issuance costs resulting in

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net proceeds of \$98.6 million. Following this settlement, 1,104,641 shares of TXNM's common stock remain subject to future settlement under the TXNM 2024 ATM Program.

On December 15, 2023, TXNM physically settled all 4,365,510 shares sold under forward sales agreements pursuant to the TXNM 2022 ATM Program. The settlement included \$1.0 million for issuance costs resulting in net proceeds of \$198.2 million. Following this settlement, no shares of TXNM's common stock remained subject to future settlement under the TXNM 2022 ATM Program. TXNM, PNM, and TNMP did not issue any common stock during the years ended December 31, 2022 and 2021.

TXNM funded cash equity contributions to PNM of \$55.0 million, zero, and zero in 2024, 2023, and 2022. TXNM funded \$24.0 million, \$40.9 million, and \$68.0 million of cash equity contributions to TNMP in 2024, 2023, and 2022.

Dividends on Common Stock

The declaration of common dividends by TXNM is dependent upon a number of factors, including the ability of TXNM's subsidiaries to pay dividends. TXNM's primary sources of dividends are its operating subsidiaries.

PNM declared and paid cash dividends to TXNM of \$51.0 million, zero, and \$153.5 million in 2024, 2023, and 2022. TNMP did not declare or pay any cash dividends to TXNM in 2024, 2023, or 2022.

The NMPRC has placed certain restrictions on the ability of PNM to pay dividends to TXNM, including the restriction that PNM cannot pay dividends that cause its debt rating to fall below investment grade. The NMPRC provisions allow PNM to pay dividends, with at least 15 days prior notice, from current earnings, which is determined on a rolling four quarter basis, or from equity contributions previously made by TXNM. The Federal Power Act also imposes certain restrictions on dividends by public utilities. Debt-to-capitalization ratio requirements, as discussed in Note 7, remain at less than or equal to 65% for PNM and TNMP and less than or equal to 70% for TXNM. These debt-to-capitalization ratio requirements could limit the amounts of dividends that could be paid. PNM also has other financial covenants that limit the transfer of assets, through dividends or other means, including a requirement to obtain the approval of certain financial counterparties to transfer more than five percent of PNM's assets. As of December 31, 2024, the 65% debt-to-capitalization covenant would restrict the payment of dividends from the retained earnings of PNM to \$509.1 million, and the 65% debt-to-capitalization covenant would restrict the payment of dividends by TNMP to \$318.0 million. Similarly, the 70% debt-to-capitalization covenant would restrict the payment of dividends by TXNM to \$775.0 million.

In addition, the ability of TXNM to declare dividends is dependent upon the extent to which cash flows will support dividends, the availability of retained earnings, financial circumstances and performance, current and future regulatory decisions, Congressional and legislative acts, and economic conditions. Conditions imposed by the NMPRC or PUCT, future growth plans and related capital requirements, and business considerations may also affect TXNM's ability to pay dividends.

Preferred Stock

PNM's cumulative preferred shares outstanding bear dividends at 4.58% per annum. PNM preferred stock does not have a mandatory redemption requirement, but may be redeemed, at PNM's option, at 102% of the stated value plus accrued dividends. The holders of the PNM preferred stock are entitled to payment before the holders of common stock in the event of any liquidation or dissolution or distribution of assets of PNM. In addition, PNM's preferred stock is not entitled to a sinking fund and cannot be converted into any other class of stock of PNM.

TXNM and TNMP have no preferred stock outstanding. The authorized shares of TXNM and TNMP preferred stock are 10 million shares and 1 million shares, respectively.

(7) Financing

The Company's financing strategy includes both short-term and long-term borrowings. The Company utilizes short-term revolving credit facilities, as well as cash flows from operations, to provide funds for both construction and operating expenditures. Depending on market and other conditions, the Company will periodically sell long-term debt or enter into term loan arrangements and use the proceeds to reduce borrowings under the revolving credit facilities or refinance other debt. Each of the Company's revolving credit facilities, term

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loans, and other debt agreements contain a single financial covenant that requires the maintenance of a debt-to-capitalization ratio. For the TXNM agreements this ratio must be maintained at less than or equal to 70%, and for the PNM and TNMP agreements this ratio must be maintained at less than or equal to 65%. The Company's revolving credit facilities, term loans, and other debt agreements generally also contain customary covenants, events of default, cross-default provisions, and change-of-control provisions.

PNM must obtain NMPRC approval for any financing transaction having a maturity of more than 18 months. In addition, PNM files its annual informational financing filing and short-term financing plan with the NMPRC.

Financing Activities

TXNM

At December 31, 2022, TXNM had \$1.0 billion outstanding under the 2021 Delayed-Draw Term Loan, among TXNM, the lenders party thereto, and Wells Fargo Bank, N.A., as administrative agent. As discussed below on June 30, 2023, \$500.0 million under the TXNM 2021 Delayed Draw Term Loan was prepaid, without penalty, with proceeds from the TXNM 2023 Term Loan. As discussed below, on June 21, 2024, proceeds from the Convertible Notes were used to prepay, without penalty, \$449.0 million under the TXNM 2021 Delayed Draw Term Loan. Draws on the TXNM 2021 Delayed-Draw Term Loan bear interest at a variable rate, which was 5.41% at December 31, 2024.

On March 2, 2022, TXNM filed a shelf registration that provides for the issuance of various types of debt and equity securities. The TXNM shelf registration statement expires in March 2025.

On November 10, 2022, TXNM entered into a distribution agreement with BofA Securities, Inc., MUFG Securities Americas Inc. and Wells Fargo Securities, LLC, as sales agents, and Bank of America, N.A., MUFG Securities EMEA plc and Wells Fargo Bank, N.A., as forward purchasers, pursuant to which the Company may sell, from time to time, up to an aggregate sales price of \$200.0 million of its common stock, no par value, through the sales agents (the "TXNM 2022 ATM Program"). Sales of the shares made pursuant to the distribution agreement may be made in "at the market offerings" as defined in Rule 415 of the Securities Act. TXNM did not initially receive any proceeds upon the execution of this agreement.

Throughout 2023, TXNM entered into forward sale agreements, for the sale of shares of TXNM common stock. On December 15, 2023, TXNM physically settled the forward purchases under the TXNM 2022 ATM Program and used the proceeds to repay borrowings under the TXNM Revolving Credit Facility and for other corporate purposes.

Cash proceeds shown below were reduced by \$1.0 million in issuance costs resulting in net cash proceeds of \$198.2 million.

Forward completion	Initial forward price	Shares	Settlement price	Settlement amount
				(in thousands)
March 15, 2023	\$ 48.49	504,452	\$ 49.00	\$ 24,720
March 20, 2023	48.30	528,082	48.78	25,758
May 30, 2023	47.56	244,639	47.99	11,741
June 30, 2023	44.87	804,477	45.07	36,257
September 26, 2023	44.03	<u>2,283,860</u>	44.11	<u>100,734</u>
		4,365,510		\$ 199,210

On June 30, 2023, TXNM entered into a \$500.0 million term loan agreement (the "TXNM 2023 Term Loan") among TXNM, the lenders party thereto, and Wells Fargo Bank, N.A., as administrative agent. The proceeds were used to prepay an equal amount of the TXNM 2021 Delayed Draw Term Loan, without penalty. As discussed below, on June 21, 2024, proceeds from the Convertible Notes were used to prepay, without penalty, \$90.0 million under the TXNM 2023 Term Loan. The TXNM 2023 Term Loan matures on June 30, 2026 and bears interest at a variable rate, which was 5.81% at December 31, 2024.

On May 6, 2024, TXNM entered into a distribution agreement with BofA Securities, Inc., Citigroup Global Markets, Inc., MUFG Securities Americas Inc., RBC Capital Markets, LLC, Scotia Capital (USA) Inc., and Wells

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Fargo Securities, LLC, as sales agents, and Bank of America, N.A., Citibank, N.A., MUFG Securities EMEA plc, Royal Bank of Canada, The Bank of Nova Scotia, and Wells Fargo Bank, N.A., as forward purchasers, pursuant to which the Company may sell, from time to time, up to an aggregate sales amount of \$100.0 million of its common stock, no par value, through the sales agents (the "TXNM 2024 ATM Program"). On August 5, 2024, subsequent to approval by shareholders to increase TXNM's authorized shares, the Company amended the distribution agreement increasing the aggregate sales amount from \$100.0 million to \$300.0 million of its common stock, no par value, that may be sold under the TXNM 2024 ATM Program. Sales of the shares made pursuant to the distribution agreement may be made in "at the market offerings" as defined in Rule 415 of the Securities Act. TXNM did not initially receive any proceeds upon the execution of this agreement.

TXNM entered into forward sales agreements with forward purchasers relating to the sale of 262,025 shares of common stock, at an initial forward sale price of \$37.77 per share in the second quarter; 2,196,926 shares of common stock at a weighted average initial forward sale price of \$40.58 per share in the third quarter; and 1,104,641 shares of common stock at a weighted average initial forward sale price of \$44.83 per share in the fourth quarter. All initial forward prices under the agreements are subject to adjustments based on a net interest rate factor and by future dividends paid on TXNM common stock. On December 30, 2024, TXNM physically settled forward purchases under the TXNM 2024 ATM Program for 2,458,951 shares and used the proceeds to repay borrowings under the TXNM Revolving Credit Facility. Cash proceeds shown below were reduced by \$0.8 million in issuance costs resulting in net cash proceeds of \$98.6 million.

Forward completion	Initial forward price	Shares	Settlement price	Settlement amount
				(in thousands)
May 13, 2024	\$ 37.76	262,025	\$ 38.01	\$ 9,960
August 13, 2024	39.98	113,014	40.21	4,545
August 16, 2024	40.26	261,066	40.48	10,568
August 23, 2024	40.36	284,952	40.56	11,558
August 30, 2024	40.47	311,583	40.64	12,661
September 16, 2024	40.77	1,226,311	40.85	50,093
		2,458,951		\$ 99,385

As of December 31, 2024, 1,104,641 shares under forward sales agreements under the 2024 TXNM ATM Program remained unsettled.

On June 10, 2024, TXNM issued \$500.0 million aggregate principal amount of junior subordinated convertible notes due 2054 (the "Convertible Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The Convertible Notes are unsecured obligations of the Company and rank junior and subordinate in right of payment to the prior payment in full of the Company's existing and future senior indebtedness. The Convertible Notes bear interest at a rate of 5.75% per year, payable semi-annually in arrears on June 1 and December 1, and mature on June 1, 2054, unless earlier converted, redeemed, or repurchased in accordance with their terms. On June 21, 2024, TXNM issued an additional \$50.0 million aggregate principal amount of the Convertible Notes, pursuant to an overallotment option granted by TXNM to the initial purchasers of the \$500.0 million Convertible Notes. Proceeds from the Convertible Notes were used to prepay \$449.0 million of borrowings under the TXNM 2021 Delayed Draw Term Loan and \$90.0 million of borrowings under the TXNM 2023 Term Loan, without penalty, and for other corporate purposes.

TXNM may not redeem the Convertible Notes prior to June 6, 2029, except upon the occurrence of certain tax events, rating agency events or treasury stock events (each, a "special event"). TXNM may redeem for cash all, but not less than all, of the Convertible Notes upon the occurrence of a special event at any time, at its option, at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. In addition, TXNM may redeem for cash all or part (subject to certain limitations on partial redemptions) of the Convertible Notes, at its option, on or after June 6, 2029, at a redemption price equal to 100% of the principal amount of the convertible notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date, if the last reported sale price of TXNM's common stock has been at least 130% of the conversion price of the convertible notes then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which

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TXNM provides notice of redemption. In each case, TXNM will not, and will not be permitted to, issue a notice of redemption, or specify a redemption date, during any interest deferral period.

Prior to the close of business on the business day immediately preceding December 1, 2053, the Convertible Notes will be convertible at the option of the holders only under certain conditions. On or after December 1, 2053 until the close of business on the second business day immediately preceding the maturity date, holders may convert all or any portion of their Convertible Notes at their option, at any time, at the conversion rate then in effect, irrespective of these conditions. Upon conversion of the Convertible Notes, TXNM will pay cash, or deliver an equal aggregate principal amount of a newly issued series of its nonconvertible junior subordinated notes with the same terms as the Convertible Notes (other than the conversion features and certain features in relation to redemption rights), in either case, up to the aggregate principal amount of the Convertible Notes being converted, and deliver shares of TXNM's common stock in respect of the remainder, if any, of TXNM's conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted.

The conversion rate for the Convertible Notes will initially be 22.4911 shares of TXNM's common stock per \$1,000 principal amount of the Convertible Notes, equivalent to an initial conversion price of \$44.46 per share of common stock. The initial conversion price of the Convertible Notes represents a conversion premium of 17.5% above the last reported sale price of TXNM's common stock on June 4, 2024. The conversion rate and the corresponding conversion price will be subject to adjustment by certain events such as increased dividends but will not adjust for any accrued or unpaid interest. In addition, following certain corporate events that occur prior to the maturity date of the Convertible Notes or if TXNM delivers a notice of a special event redemption, TXNM will, in certain circumstances, increase the conversion rate for a holder that elects to convert its Convertible Notes in connection with such a corporate event or such notice of special event redemption, as the case may be.

TXNM issued the Convertible Notes pursuant to an indenture (the "Convertible Notes Indenture") dated as of June 10, 2024 between TXNM and Computershare Trust Company, N.A., as trustee. The Convertible Notes are subject to continuing compliance with the representations, warranties, and covenants set forth in the Convertible Notes Indenture, which include the customary covenants discussed above. In the event of a fundamental change, as defined in the Convertible Notes Indenture, TXNM may be required to repurchase, for cash, the aggregate principal amount of Convertible Notes plus accrued interest. TXNM may not redeem the Convertible notes prior to June 6, 2029 except upon the occurrence of a special event as defined in the Convertible Notes Indenture.

So long as no event of default with respect to the Convertible Notes has occurred and is continuing, TXNM may, at its option, defer interest payments on the Convertible Notes on one or more occasions for up to 20 consecutive semi-annual interest payment periods. During any deferral period, interest on the Convertible Notes will continue to accrue at the then-applicable interest rate on the Convertible Notes. In addition, during any deferral period, interest on deferred interest will accrue at the then-applicable interest rate on the Convertible Notes, compounded semi-annually, to the extent permitted by applicable law.

PNM

On June 18, 2021, PNM entered into a \$75.0 million term loan agreement (the "PNM 2021 Term Loan") between PNM and Bank of America, N.A., as lender. The PNM 2021 Term Loan was used to repay the PNM 2019 \$40.0 million Term Loan and for other corporate purposes. On August 5, 2022, the PNM 2021 Term Loan was prepaid without penalty with proceeds from the PNM 2022 Delayed-Draw Term Loan discussed below.

At December 31, 2021, PNM had \$104.5 million PCRBs outstanding with a mandatory remarketing date of June 1, 2022, consisting of \$36.0 million at 1.05% issued by the Maricopa County, Arizona Pollution Control Corporation with a final maturity of January 2038; \$37.0 million at 2.125% issued by the City of Farmington, New Mexico with a final maturity of June 2040; \$11.5 million at 1.20% issued by the City of Farmington, New Mexico with a final maturity of June 2040; and \$20.0 million at 2.45% issued by the City of Farmington, New Mexico with a final maturity of September 2042. On June 1, 2022, PNM remarketed to new investors the \$36.0 million and \$37.0 million series in the tax-exempt market at 3.00% with a mandatory remarketing date of June 1, 2024. PNM purchased and redeemed the remaining two series of PCRBs, totaling \$31.5 million, on June 1, 2022.

On August 5, 2022, PNM entered into a \$225.0 million delayed-draw term loan agreement (the "PNM 2022 Delayed-Draw Term Loan"), among PNM, the lender parties thereto, and Royal Bank of Canada, as administrative

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agent. PNM initially drew \$180.0 million to prepay, without penalty, the \$75.0 million PNM 2021 Term Loan ahead of its December 2022 maturity and for other corporate purposes. On September 30, 2022, PNM drew the remaining \$45.0 million and used the proceeds for general corporate purposes. On November 15, 2023, upon receipts of funds from the sale of energy transition property to ETBC I discussed below, PNM prepaid the \$225.0 million outstanding under the PNM 2022 Delayed-Draw Term Loan, without penalty.

At December 31, 2022, PNM had \$130.0 million of 1.10% PCRBs outstanding with a mandatory remarketing date of June 1, 2023, issued by the City of Farmington, New Mexico with a final maturity of June 2040. On June 1, 2023, PNM remarketed the \$130.0 million to new investors at 3.90% with a mandatory tender date of June 1, 2028.

At December 31, 2022, PNM had \$55.0 million aggregate principal amount of its 3.15% SUNs outstanding due May 2023. On May 15, 2023, PNM repaid the \$55.0 million 3.15% SUNs.

On April 28, 2023, PNM entered into an agreement (the “PNM 2023 Note Purchase Agreement”) with institutional investors for the sale and issuance of \$200.0 million aggregate principal amount of two series of SUNs (the “PNM 2023 SUNs”) offered in private placement transactions. The PNM 2023 SUNs were issued on April 28, 2023. PNM issued \$150.0 million of the PNM 2023 SUNs at 5.51%, due April 28, 2035, and another \$50.0 million at 5.92%, due April 28, 2053. Proceeds from the PNM 2023 SUNs were used to repay borrowings under the PNM Revolving Credit Facility and the PNM New Mexico Credit Facility, for funding of capital expenditures, and for general corporate purposes. The PNM 2023 Note Purchase Agreement includes the customary covenants discussed above. In the event of a change of control, PNM will be required to offer to prepay the PNM 2023 SUNs at par. PNM has the right to redeem any or all of the PNM 2023 SUNs prior to their maturities, subject to payment of a customary make-whole premium.

On May 10, 2024, PNM entered into a \$200.0 million term loan agreement (the “PNM 2024 Term Loan”), among PNM, the lenders party thereto and U.S. Bank National Association, as administrative agent. PNM used the proceeds of the PNM 2024 Term Loan to repay borrowings under the PNM Revolving Credit Facility, the PNM New Mexico Credit Facility, and for general corporate purposes. The PNM 2024 Term Loan bears interest at a variable rate, which was 5.40% at December 31, 2024, and must be repaid on or before November 10, 2025.

At December 31, 2023, PNM had outstanding \$37.0 million of 3.00% PCRBs and \$125.0 million of 1.15% PCRBs issued by the City of Farmington, New Mexico with a mandatory remarketing date of June 1, 2024 and final maturities of June 2040 and \$36.0 million of 3.00% PCRBs issued by Maricopa County, Arizona with a mandatory remarketing date of June 1, 2024 and a final maturity of January 2038. On June 3, 2024, PNM remarketed these PCRBs aggregating \$198.0 million to new investors at 3.875% with a mandatory tender date of June 1, 2029.

On January 21, 2025, PNM entered into a \$195.0 million term loan agreement (the “PNM 2025 Term Loan”), among PNM, the lenders party thereto and Canadian Imperial Bank of Commerce, New York Branch, as administrative agent. PNM used the proceeds of the PNM 2025 Term Loan to repay borrowings under the PNM Revolving Credit Facility, the PNM New Mexico Credit Facility, and for general corporate purposes. The PNM 2025 Term Loan bears interest at a variable rate and must be repaid on or before July 21, 2026.

ETBC I

On November 15, 2023, ETBC I issued \$343.2 million aggregate principal amount of its senior secured energy transition bonds, Series A (“ETBC I Securitized Bonds”) in two tranches. The first tranche of \$175.0 million aggregate principal amount was issued at an interest rate of 5.64% with an expected final payment due in August 2040. The second tranche of \$168.2 million aggregate principal amount was issued at an interest rate of 6.03% with an expected final payment due in August 2048. Each tranche is subject to fixed, scheduled, semi-annual payments of principal and interest beginning on August 15, 2024 with \$6.9 million included as Current installments of long-term debt on the Consolidated Balance Sheets at December 31, 2024. The ETBC I Securitized Bonds were offered pursuant to a prospectus dated November 7, 2023 and are governed by an indenture between ETBC I and U.S. Bank Trust Company, National Association, as indenture trustee dated as of November 15, 2023. ETBC I used the proceeds from the issuance of the ETBC I Securitized Bonds to purchase energy transition property (Note 16) from PNM. See Note 10.

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TNMP

On April 27, 2022, TNMP entered into an agreement (the “TNMP 2022 Bond Purchase Agreement”) with institutional investors for the sale of \$160.0 million aggregate principal amount of two series of TNMP first mortgage bonds (the “TNMP 2022 Bonds”) offered in private placement transactions. TNMP issued the first series of \$65.0 million of the TNMP 2022 Bonds on May 12, 2022, at a 4.13% interest rate, due May 12, 2052, and the second series of \$95.0 million of the TNMP 2022 Bonds on July 28, 2022, at a 3.81% interest rate, due July 28, 2032. The proceeds were used to repay borrowings under the TNMP Revolving Credit Facility and for other corporate purposes. The TNMP 2022 Bonds are subject to continuing compliance with the representations, warranties and covenants set forth in the supplemental indenture governing the TNMP 2022 Bonds. The terms of the supplemental indentures governing the TNMP 2022 Bonds include the customary covenants discussed above. In the event of a change of control, TNMP will be required to offer to prepay the TNMP 2022 Bonds at par. TNMP has the right to redeem any or all of the TNMP 2022 Bonds prior to their maturity, subject to payment of a customary make-whole premium.

On April 28, 2023, TNMP entered into an agreement (the “TNMP 2023 Bond Purchase Agreement”) with institutional investors for the sale of \$185.0 million aggregate principal amount of two series of TNMP first mortgage bonds (the “TNMP 2023 Bonds”) offered in private placement transactions. TNMP issued the first series of \$130.0 million on April 28, 2023, at a 5.01% interest rate, due April 28, 2033. The second series of \$55.0 million was issued on July 28, 2023, at a 5.47% interest rate, due July 28, 2053. The proceeds were used to repay borrowings under the TNMP Revolving Credit Facility, for funding of capital expenditures, and for other corporate purposes. The TNMP 2023 Bonds are subject to continuing compliance with the representations, warranties and covenants set forth in the supplemental indentures governing the TNMP 2023 Bonds. The terms of the supplemental indentures governing the TNMP 2023 Bonds include the customary covenants discussed above. In the event of a change of control, TNMP will be required to offer to prepay the TNMP 2023 Bonds at par. TNMP has the right to redeem any or all of the TNMP 2023 Bonds prior to their maturity, subject to payment of a customary make-whole premium.

On March 28, 2024, TNMP entered into an agreement (the “TNMP 2024 Bond Purchase Agreement”) with institutional investors for the sale of \$285.0 million aggregate principal amount of four series of TNMP first mortgage bonds (the “TNMP 2024 Bonds”) offered in private placement transactions. TNMP issued the first two series on March 28, 2024, consisting of \$32.0 million at a 5.26% interest rate, due March 28, 2029, and \$85.0 million at a 5.55% interest rate, due March 28, 2036. The third and fourth series were issued on July 1, 2024, consisting of \$40.0 million at a 5.65% interest rate, due July 1, 2039, and \$128.0 million at a 5.79% interest rate, due July 1, 2054. The proceeds were used to repay existing debt, including the \$80.0 million of 4.03% TNMP FMBs that were due July 2024 and borrowings under the TNMP Revolving Credit Facility, for funding of capital expenditures, and for other corporate purposes. The TNMP 2024 Bonds are subject to continuing compliance with the representations, warranties and covenants set forth in the supplemental indentures governing the TNMP 2024 Bonds. The terms of the supplemental indentures governing the TNMP 2024 Bonds include the customary covenants discussed above. In the event of certain changes of control of TXNM or TNMP, TNMP will be required to offer to prepay the TNMP 2024 Bonds at par. TNMP has the right to redeem any or all of the TNMP 2024 Bonds prior to their maturity, subject to payment of a customary make-whole premium.

On February 14, 2025, TNMP entered into an agreement (the “TNMP 2025 Bond Purchase Agreement”) with institutional investors for the sale of \$140.0 million aggregate principal amount of its 5.19% TNMP first mortgage bonds (the “TNMP 2025 Bonds”) offered in private placement transactions. TNMP issued all \$140.0 million at a 5.19% interest rate, due April 1, 2031. The proceeds were used to repay borrowings under the TNMP Revolving Credit Facility, for funding of capital expenditures, and for other corporate purposes. The TNMP 2025 Bonds are subject to continuing compliance with the representations, warranties and covenants set forth in the supplemental indentures governing the TNMP 2025 Bonds. The terms of the supplemental indentures governing the TNMP 2025 Bonds include the customary covenants discussed above. In the event of a change of control, TNMP will be required to offer to prepay the TNMP 2025 Bonds at par. TNMP has the right to redeem any or all of the TNMP 2025 Bonds prior to their maturity, subject to payment of a customary make-whole premium.

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Interest Rate Hedging Activities

TXNM has entered into hedging agreements that establish a fixed rate for the indicated amount of variable rate debt, above which a customary spread is applied, which is subject to change if there is a change in TXNM's credit rating. As of December 31, 2023, TXNM's hedging agreements were as follows:

<u>Effective Date</u>	<u>Maturity Date</u>	<u>Variable Rate Debt Hedged</u> (In millions)	<u>Established Fixed Rate</u> (Percent)
March 17, 2023	September 30, 2023	\$ 150.0	4.57 %
October 31, 2022	December 31, 2023	100.0	4.65
October 31, 2022	December 31, 2023	100.0	4.66
September 30, 2022	December 31, 2023	100.0	4.17
September 30, 2022	December 31, 2023	100.0	4.18
May 20, 2022	December 31, 2023	100.0	2.52
May 2, 2022	December 31, 2023	150.0	2.65
May 2, 2022	December 31, 2023	200.0	2.65
January 1, 2024	December 31, 2024	100.0	3.32
January 1, 2024	December 31, 2024	100.0	3.32
January 1, 2024	December 31, 2024	100.0	3.38
January 1, 2024	December 31, 2024	150.0	3.62
January 1, 2024	December 31, 2024	150.0	3.57
January 1, 2025	December 31, 2025	100.0	4.18
January 1, 2025	December 31, 2025	100.0	4.18
January 1, 2025	December 31, 2025	100.0	3.99

Throughout 2023 and 2024, these hedging agreements were accounted for as cash flow hedges. At December 31, 2023, the fair value of the active hedging agreements was a gain of \$7.2 million that was included in Other current assets and a loss of \$2.3 million that was included in Other deferred credits on the Consolidated Balance Sheets. Fair values were determined using Level 2 inputs under GAAP, including using forward SOFR curves under the mid-market convention to discount cash flows over the remaining term of the agreements. In November 2024, TXNM unwound and settled the \$300.0 million of hedging agreements that were expected to mature on December 31, 2025, and on December 31, 2024, the remaining \$600.0 million of hedging agreements matured. TXNM had no active hedging agreements at December 31, 2024.

Borrowing Arrangements Between TXNM and its Subsidiaries

TXNM has intercompany loan agreements with its subsidiaries. Individual subsidiary loan agreements vary in amount up to \$150.0 million and have either reciprocal or non-reciprocal terms. Interest charged to the subsidiaries is equivalent to interest paid by TXNM on its short-term borrowings or the money-market interest rate if TXNM does not have any short-term borrowings outstanding. All balances outstanding under intercompany loan agreements are eliminated upon consolidation. See Note 1. PNM and TNMP had no borrowings from TXNM at December 31, 2024 and 2023. PNMR Development had zero and \$2.3 million in short-term borrowings outstanding from TXNM at December 31, 2024 and 2023. TXNM had \$1.5 million and zero in short-term borrowings outstanding from PNMR Development at December 31, 2024 and 2023.

Short-term Debt and Liquidity

As of December 31, 2024, the TXNM Revolving Credit Facility had a financing capacity of \$300.0 million and the PNM Revolving Credit Facility had a financing capacity of \$400.0 million. On April 1, 2024, TXNM and PNM amended their respective revolving credit facilities, extending their maturity to March 30, 2029, with two one-year extension options that, if exercised, would extend the maturity to March 2031, subject to approval by a majority of the lenders. PNM also has the \$40.0 million PNM New Mexico Credit Facility with a maturity of May 20, 2026. As of December 31, 2023, the TNMP Revolving Credit Facility had a capacity of \$100.0 million, secured by \$100.0 million aggregate principal amount of TNMP first mortgage bonds. On April 1, 2024, TNMP entered into a new \$200.0 million Revolving Credit Facility that replaced the \$100.0 million Revolving Credit Facility. The new \$200.0 million Revolving Credit Facility is secured by \$200.0 million aggregate principal amount of TNMP first

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mortgage bonds and has a maturity of March 30, 2029, with two one-year extension options that, if exercised, would extend the maturity to March 2031, subject to approval by a majority of the lenders. Variable interest rates under the TXNM, PNM, and TNMP revolving credit facilities are based on SOFR.

Short-term debt outstanding consists of:

Short-term Debt	December 31,	
	2024	2023
	(In thousands)	
PNM:		
PNM Revolving Credit Facility	\$ 323,800	\$ 107,500
PNM New Mexico Credit Facility	40,000	30,000
	<u>363,800</u>	<u>137,500</u>
TNMP Revolving Credit Facility	151,600	55,100
TXNM:		
TXNM Revolving Credit Facility	93,900	69,300
	<u>\$ 609,300</u>	<u>\$ 261,900</u>

In addition to the above borrowings, TXNM, PNM, and TNMP had letters of credit outstanding of \$3.1 million, zero, and zero at December 31, 2024, that reduce the available capacity under their respective revolving credit facilities. TXNM also has \$30.3 million of letters of credit outstanding under the WFB LOC Facility. At December 31, 2024, interest rates on outstanding borrowings were 5.73% for the PNM Revolving Credit Facility, 5.81% for the PNM New Mexico Credit Facility, 5.37% for the TNMP Revolving Credit Facility, and 5.96% for the TXNM Revolving Credit Facility.

Long-Term Debt

Information concerning long-term debt outstanding and unamortized (premiums), discounts, and debt issuance costs is as follows:

	December 31, 2024		December 31, 2023	
	Principal	Unamortized Discounts, (Premiums), and Issuance Costs, net	Principal	Unamortized Discounts, (Premiums), and Issuance Costs, net
	(In thousands)			
PNM Debt				
ETBC I - Senior Secured Energy Transition Bonds				
Series A-1, 5.64%	\$ 172,471	\$ 1,025	\$ 175,000	\$ 1,093
Series A-2, 6.03%	168,200	1,014	168,200	1,057
Senior Unsecured Notes, Pollution Control Revenue Bonds:				
2.15% due April 2033	146,000	736	146,000	824
3.00% due June 2040, mandatory tender - June 1, 2024	—	—	37,000	88
0.875% mandatory tender - October 1, 2026	100,345	257	100,345	403
3.00% due January 2038, mandatory tender - June 1, 2024	—	—	36,000	87
1.15% due June 2040, mandatory tender - June 1, 2024	—	—	125,000	132
3.90% due June 2040, mandatory tender - June 1, 2028	130,000	796	130,000	1,029
3.875% due June 2040, mandatory tender - June 1, 2029	162,000	1,158	—	—
3.875% due January 2038, mandatory tender - June 1, 2029	36,000	258	—	—

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	December 31, 2024		December 31, 2023	
	Principal	Unamortized Discounts, (Premiums), and Issuance Costs, net	Principal	Unamortized Discounts, (Premiums), and Issuance Costs, net
(In thousands)				
PNM Debt (Continued)				
Senior Unsecured Notes:				
3.45% due May 2025	104,000	39	104,000	143
3.85% due August 2025	250,000	174	250,000	477
3.68% due May 2028	88,000	209	88,000	271
3.78% due August 2028	15,000	38	15,000	48
3.93% due May 2033	38,000	149	38,000	167
4.22% due May 2038	45,000	212	45,000	228
4.50% due May 2048	20,000	110	20,000	114
4.60% due August 2048	85,000	470	85,000	490
3.21% due April 2030	150,000	852	150,000	1,011
3.57% due April 2039	50,000	398	50,000	426
2.59% due July 2033	80,000	328	80,000	366
3.14% due July 2041	80,000	381	80,000	404
2.29% due December 2031	50,000	205	50,000	235
2.97% due December 2041	100,000	499	100,000	528
5.51% due April 2035	150,000	779	150,000	854
5.92% due April 2053	50,000	280	50,000	290
PNM 2024 \$200.0 Million Term Loan due November 2025	200,000	57	—	—
	2,470,016	10,424	2,272,545	10,765
Less current maturities	560,907	270	200,529	307
	1,909,109	10,154	2,072,016	10,458
TNMP Debt				
First Mortgage Bonds:				
6.95% due April 2043	93,198	(13,056)	93,198	(13,771)
4.03% due July 2024	—	—	80,000	53
3.53% due February 2026	60,000	91	60,000	174
3.22% due August 2027	60,000	152	60,000	209
3.85% due June 2028	60,000	219	60,000	281
3.79% due March 2034	75,000	347	75,000	385
3.92% due March 2039	75,000	401	75,000	429
4.06% due March 2044	75,000	433	75,000	456
3.60% due July 2029	80,000	270	80,000	330
2.73% due April 2030	85,000	445	85,000	530
3.36% due April 2050	25,000	210	25,000	218
2.93% due July 2035	25,000	175	25,000	191
3.36% due July 2050	50,000	424	50,000	441
2.44% due August 2035	65,000	382	65,000	418
4.13% due May 2052	65,000	409	65,000	424
3.81% due July 2032	95,000	505	95,000	572
5.01% due April 2033	130,000	610	130,000	682
5.47% due July 2053	55,000	286	55,000	296
5.26% due March 2029	32,000	189	—	—
5.55% due March 2036	85,000	538	—	—

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	December 31, 2024		December 31, 2023	
	Principal	Unamortized Discounts, (Premiums), and Issuance Costs, net	Principal	Unamortized Discounts, (Premiums), and Issuance Costs, net
TNMP Debt (Continued)				
(In thousands)				
5.65% due July 2039	40,000	256	—	—
5.79% due July 2054	128,000	833	—	—
	1,458,198	(5,881)	1,253,198	(7,682)
Less current maturities	—	—	80,000	53
	1,458,198	(5,881)	1,173,198	(7,735)
TXNM 2021 Delayed-Draw Term Loan due May 2025	51,000	34	500,000	114
TXNM 2023 Term Loan due June 2026	410,000	441	500,000	735
5.75% TXNM Junior Subordinated Convertible Notes due June 2054	550,000	10,828	—	—
	1,011,000	11,303	1,000,000	849
Less current maturities	51,000	34	—	—
	960,000	11,269	1,000,000	849
Total Consolidated TXNM Debt	4,939,214	15,846	4,525,743	3,932
Less current maturities	611,907	304	280,529	360
	<u>\$4,327,307</u>	<u>\$ 15,542</u>	<u>\$4,245,214</u>	<u>\$ 3,572</u>

Reflecting mandatory tender dates, long-term debt maturities as of December 31, 2024, are follows:

	TXNM	PNM	TNMP	TXNM Consolidated
(In thousands)				
2025	\$ 51,000	\$ 560,907	\$ —	\$ 611,907
2026	410,000	107,648	60,000	577,648
2027	—	7,721	60,000	67,721
2028	—	241,162	60,000	301,162
2029	—	206,629	112,000	318,629
Thereafter	550,000	1,345,949	1,166,198	3,062,147
Total	<u>\$ 1,011,000</u>	<u>\$ 2,470,016</u>	<u>\$ 1,458,198</u>	<u>\$ 4,939,214</u>

(8) Lease Commitments

The Company enters into various lease agreements to meet its business needs and to satisfy the needs of its customers. The Company accounts for contracts that convey the use and control of identified assets for a period of time as leases. The Company classifies leases as operating or financing by evaluating the terms of the lease agreement. Agreements under which the Company is likely to utilize substantially all of the economic value or life of the asset or that the Company is likely to own at the end of the lease term, either through purchase or transfer of ownership, are classified as financing leases. Leases not meeting these criteria are accounted for as operating leases. Agreements under which the Company is a lessor are insignificant. TXNM, PNM, and TNMP determine present value for their leases using their incremental borrowing rates at the commencement date of the lease or, when readily available, the rate implicit in the agreement. The Company leases office buildings, vehicles, energy storage facilities, and other equipment. In addition, PNM had lease interests in PVNGS and certain rights-of-way agreements that are classified as leases. All of the Company's leases with fixed-payment terms in excess of one year are recorded on the Consolidated Balance Sheets by recording a present value lease liability and a corresponding right-of-use asset. Operating lease expense is recognized within operating expenses according to the use of the asset on a straight-line basis. Financing lease costs, which are comprised primarily of fleet and office equipment leases commencing after January 1, 2019, are recognized by amortizing the right-of-

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use asset on a straight-line basis and by recording interest expense on the lease liability. Financing lease right-of-use assets amortization is reflected in depreciation and amortization and interest on financing lease liabilities is reflected as interest charges on the Company's Consolidated Statements of Earnings.

PVNGS

In 1985 and 1986, PNM entered into leases for its interest in PVNGS Unit 1 and 2. The leases initially were scheduled to expire in January 2015 for four Unit 1 leases and January 2016 for four Unit 2 leases. Following procedures set forth in the PVNGS leases, PNM notified four of the lessors under the Unit 1 leases and one lessor under the Unit 2 lease that it would elect to renew those leases on the expiration date of the original leases. The four Unit 1 leases expired in January 2023 and the one Unit 2 lease expired in January 2024. PNM has no further lease payments related to PVNGS Unit 1 or 2.

On April 5, 2021, PNM and Salt River Project entered into an Asset Purchase and Sale Agreement, pursuant to which PNM agreed to sell to Salt River Project certain PNM-owned assets and nuclear fuel necessary to the ongoing operation and maintenance of leased capacity in PVNGS Unit 1 and Unit 2. In January 2023, the Unit 1 leases expired, and PNM closed on the associated sale to Salt River Project, receiving payments of \$33.7 million, of which \$28.4 million was recorded as a reduction to Net utility plant on the Consolidated Balance Sheets and is presented as cash flows from investing activities on the Consolidated Statement of Cash Flows. In addition, \$5.3 million was recorded as a reduction to materials, supplies, and fuel stock on the Consolidated Balance Sheets and is presented as cash flows from operating activities on the Consolidated Statement of Cash Flows. In January 2024, the Unit 2 leases expired, and PNM closed on the associated sale to Salt River Project, receiving payments of \$3.4 million, of which \$2.8 million was recorded as a reduction to Net utility plant on the Consolidated Balance Sheets and is presented as cash flows from investing activities on the Consolidated Statement of Cash Flows. In addition, \$0.6 million was recorded as a reduction to Materials, supplies and fuel stock on the Consolidated Balance Sheets and is presented as cash flows from operating activities on the Consolidated Statement of Cash Flows.

Land Easements and Rights-of-Ways

Many of PNM's electric transmission and distribution facilities are located on lands that require the grant of rights-of-way from governmental entities, Native American tribes, or private parties. PNM has completed several renewals of rights-of-way, the largest of which is a renewal with the Navajo Nation. PNM is obligated to pay the Navajo Nation annual payments of \$6.0 million, subject to adjustment each year based on the Consumer Price Index, through 2029. PNM's April 2024 payment for the amount due under the Navajo Nation right-of-way lease was \$8.6 million, which included amounts due under the Consumer Price Index adjustment. Changes in the Consumer Price Index subsequent to January 1, 2019, are considered variable lease payments.

PNM has other prepaid rights-of-way agreements that are not accounted for as leases or recognized as a component of plant in service. PNM reflects the unamortized balance of these prepayments in other deferred charges on the Consolidated Balance Sheets and recognizes amortization expense associated with these agreements in the Consolidated Statement of Earnings over their term. As of December 31, 2024 and 2023, the unamortized balance of these rights-of-ways was \$67.1 million and \$56.2 million. During the years ended December 31, 2024, 2023, and 2022, PNM recognized amortization expense associated with these agreements of \$4.3 million, \$3.5 million, and \$3.8 million.

Fleet Vehicles and Equipment

Fleet vehicle and equipment leases commencing on or after January 1, 2019, are classified as financing leases. Fleet vehicle and equipment leases existing as of December 31, 2018, are classified as operating leases. The Company's fleet vehicle and equipment lease agreements include non-lease components for insignificant administrative and other costs that are billed over the life of the agreement. At December 31, 2024, residual value guarantees on fleet vehicle and equipment leases are \$0.7 million, \$0.9 million, and \$1.6 million for PNM, TNMP, and TXNM Consolidated.

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Energy Storage Agreements

PNM has entered into various ESAs with fixed payments over the life of the agreements. These types of agreements are accounted for as operating leases. In the fourth quarter of 2024, an energy storage facility with an aggregate capacity of 100 MW began commercial operation and PNM recorded lease liabilities with a corresponding right-of-use asset of \$101.5 million. PNM has also entered into ESAs with monthly payments that vary depending on the available capacity of the storage facility. These types of ESAs are accounted for as operating leases with variable consideration and do not require a lease liability or right-of-use asset. In the fourth quarter of 2024, a 300MW energy storage agreement with payments that depend on available capacity began commercial operation. The expense for this lease is reflected in variable lease expense in the tables below. In addition, the Company has elected to separate lease components from non-lease components for ESAs and accordingly, does not include non-lease components in the measurement of the lease liability or right-of-use asset. The non-lease components which are not included in the measurement of the lease liability or the corresponding right-of-use asset, comprises of 25.5% of the value of the agreements.

Information related to the Company's operating leases recorded on the Consolidated Balance Sheets is presented below:

	December 31, 2024			December 31, 2023		
	PNM	TNMP	TXNM Consolidated	PNM	TNMP	TXNM Consolidated
	(In thousands)					
Operating leases:						
Operating lease assets, net of amortization	\$271,433	\$ 923	\$ 272,894	\$180,370	\$1,814	\$ 182,201
Current portion of operating lease liabilities	13,542	713	14,293	11,371	895	12,267
Long-term portion of operating lease liabilities	254,702	167	255,376	166,191	809	167,000

As discussed above, the Company classifies its fleet vehicle and equipment leases and its office equipment leases commencing on or after January 1, 2019, as financing leases. Information related to the Company's financing leases recorded on the Consolidated Balance Sheets is presented below:

	December 31, 2024			December 31, 2023		
	PNM	TNMP	TXNM Consolidated	PNM	TNMP	TXNM Consolidated
	(In thousands)					
Financing leases:						
Non-utility property	\$ 24,548	\$ 24,420	\$ 50,144	\$ 25,425	\$ 24,487	\$ 49,981
Accumulated depreciation	(10,997)	(13,411)	(24,604)	(11,984)	(11,869)	(23,905)
Non-utility property, net	\$ 13,551	\$ 11,009	\$ 25,540	\$ 13,441	\$ 12,618	\$ 26,076
Other current liabilities	\$ 4,311	\$ 4,527	\$ 9,126	\$ 4,146	\$ 4,616	\$ 8,776
Other deferred credits	9,262	6,504	16,470	9,300	8,023	17,326

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Information concerning the weighted average remaining lease terms and the weighted average discount rates used to determine the Company's lease liabilities is presented below:

	December 31, 2024			December 31, 2023		
	PNM	TNMP	TXNM Consolidated	PNM	TNMP	TXNM Consolidated
Weighted average remaining lease term (years):						
Operating leases	17.52	1.10	17.45	16.79	1.65	16.65
Financing leases	3.51	2.80	3.20	3.81	3.08	3.45
Weighted average discount rate:						
Operating leases	5.68 %	4.41 %	5.68 %	5.61 %	4.16 %	5.60 %
Financing leases	5.08	5.19	5.12	4.54	4.63	4.58

Information for the components of lease expense is as follows:

	Year Ended December 31, 2024		
	PNM	TNMP	TXNM Consolidated
	(In thousands)		
Operating lease cost:			
Energy storage leases	\$ 13,353	\$ —	\$ 13,353
Other operating leases	7,722	907	8,679
Amounts capitalized	(101)	(793)	(894)
Total operating lease expense	20,974	114	21,138
Financing lease cost:			
Amortization of right-of-use assets	4,554	5,129	9,889
Interest on lease liabilities	603	595	1,229
Amounts capitalized	(3,227)	(4,648)	(7,875)
Total financing lease expense	1,930	1,076	3,243
Variable lease expense	3,900	—	3,900
Short-term lease expense	714	23	787
Total lease expense for the period	\$ 27,518	\$ 1,213	\$ 29,068

	Year Ended December 31, 2023		
	PNM	TNMP	TXNM Consolidated
	(In thousands)		
Operating lease cost			
Energy storage leases	\$ 4,351	\$ —	\$ 4,351
Other operating leases	11,127	1,479	12,606
Amounts capitalized	(374)	(1,298)	(1,672)
Total operating lease expense	15,104	181	15,285
Financing lease cost:			
Amortization of right-of-use assets	4,566	4,634	9,253
Interest on lease liabilities	562	497	1,060
Amounts capitalized	(3,190)	(4,250)	(7,440)
Total financing lease expense	1,938	881	2,873
Variable lease expense	1,342	—	1,342
Short-term lease expense	675	29	782
Total lease expense for the period	\$ 19,059	\$ 1,091	\$ 20,282

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	Year Ended December 31, 2022		
	TXNM		
	PNM	TNMP	Consolidated
	(In thousands)		
Operating lease cost			
Other operating leases	\$ 26,764	\$ 2,020	\$ 28,835
Amounts capitalized	(690)	(1,728)	(2,417)
Total operating lease expense	<u>26,074</u>	<u>292</u>	<u>26,418</u>
Financing lease cost:			
Amortization of right-of-use assets	3,175	3,279	6,529
Interest on lease liabilities	327	330	659
Amounts capitalized	(2,264)	(3,208)	(5,471)
Total financing lease expense	<u>1,238</u>	<u>401</u>	<u>1,717</u>
Variable lease expense	890	—	890
Short-term lease expense ⁽¹⁾	3,058	5	3,109
Total lease expense for the period	<u>\$ 31,260</u>	<u>\$ 698</u>	<u>\$ 32,134</u>

⁽¹⁾ Includes expense of \$2.7 million for the twelve months ended December 31, 2022 for rental of temporary cooling towers associated with the SJGS Unit 1 outage. These amounts are partially offset with insurance reimbursements of \$2.7 million for the twelve months ended December 31, 2022.

Supplemental cash flow information related to the Company's leases is as follows:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	TXNM			TXNM		
	PNM	TNMP	Consolidated	PNM	TNMP	Consolidated
	(In thousands)					
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from operating leases	\$ 21,277	\$ 47	\$ 21,368	\$ 21,575	\$ 110	\$ 21,685
Operating cash flows from financing leases	206	102	340	183	73	256
Financing cash flows from financing leases	1,707	971	2,872	1,671	802	2,527
Non-cash information related to right-of-use assets obtained in exchange for lease obligations:						
Operating leases	\$101,594	\$ 100	\$ 102,261	\$138,204	\$ 6	\$ 138,210
Financing leases	4,962	3,715	9,850	6,421	5,407	11,828

Capitalized lease costs are reflected as investing activities on the Company's Consolidated Statements of Cash Flows for the twelve months ended December 31, 2024 and 2023.

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Future expected lease payments are shown below:

	As of December 31, 2024							
	PNM			TNMP		TXNM Consolidated		
	Operating					Operating		
	Financing	Energy Storage	Other	Financing	Operating	Financing	Energy Storage	Other
	(In thousands)							
2025	\$ 4,879	\$ 20,333	\$ 7,101	\$ 4,971	\$ 808	\$ 10,181	\$ 20,333	\$ 7,976
2026	4,300	20,333	7,042	3,635	90	8,258	20,333	7,201
2027	3,019	20,333	7,046	2,186	14	5,507	20,333	7,131
2028	1,640	20,333	7,049	811	11	2,571	20,333	7,133
2029	568	20,333	7,036	258	—	826	20,333	7,111
Later years	230	287,100	3,550	—	—	230	287,100	3,902
Total minimum lease payments	14,636	388,765	38,824	11,861	923	27,573	388,765	40,454
Less: Imputed interest	1,063	154,931	4,414	830	43	1,977	154,932	4,618
Lease liabilities	\$ 13,573	\$ 233,834	\$ 34,410	\$ 11,031	\$ 880	\$ 25,596	\$ 233,833	\$ 35,836

The above table includes \$12.7 million, \$10.4 million, and \$23.3 million for PNM, TNMP, and TXNM at December 31, 2024 for expected future payments on fleet vehicle and equipment leases that could be avoided if the leased assets were returned and the lessor is able to recover estimated market value for the equipment from third parties.

At December 31, 2024, the Company has various lease arrangements that have been executed but have not yet commenced, which are primarily related to ESAs. The Company currently expects lease commencement dates in 2025 and 2029, with lease terms expiring in 2044 and 2045, and will recognize lease assets and liabilities upon lease commencement. The expected total fixed consideration to be paid for these arrangements, which includes non-lease payments, is approximately \$226.3 million over the 20-year terms of the agreements.

(9) Fair Value of Derivative and Other Financial Instruments

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value is based on current market quotes as available and is supplemented by modeling techniques and assumptions made by the Company to the extent quoted market prices or volatilities are not available. External pricing input availability varies based on commodity location, market liquidity, and term of the agreement. Valuations of derivative assets and liabilities take into account nonperformance risk, including the effect of counterparties' and the Company's credit risk. The Company regularly assesses the validity and availability of pricing data for its derivative transactions. Although the Company uses its best judgment in estimating the fair value of these instruments, there are inherent limitations in any estimation technique.

Energy Related Derivative Contracts

Overview

The primary objective for the use of commodity derivative instruments, including energy contracts, options, swaps, and futures, is to manage price risk associated with forecasted purchases of energy and fuel used to generate electricity, as well as managing anticipated generation capacity in excess of forecasted demand from existing customers. PNM's energy related derivative contracts manage commodity risk. PNM is required to meet the demand and energy needs of its customers. PNM is exposed to market risk for the needs of its customers not covered under the FPPAC.

PNM has entered into agreements for the purchase and sale of power from third parties. In 2024, PNM entered into agreements to purchase a total of 125 MW from July 1, 2025 through August 31, 2025 in order to

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ensure that customer demand during the 2025 summer peak load period will be met. In addition, PNM entered into agreements to purchase a total of 150 MW from July 1, 2024 through July 31, 2024 and 100 MW from August 1, 2024 through August 30, 2024. These agreements are accounted for as derivative agreements and are considered economic hedges under the NMPRC approved hedging plan covered by its FPPAC.

Agreements for the purchase of 85 MW from June through September 2023 as well as agreements for the sale of 50 MW from September 1, 2024 through December 31, 2024 were not considered derivatives because they qualified for a normal purchase, normal sale scope exception.

PNM's operations are managed primarily through a net asset-backed strategy, whereby PNM's aggregate net open forward contract position is covered by its forecasted excess generation capabilities or market purchases. PNM could be exposed to market risk if its generation capabilities were to be disrupted or if its load requirements were to be greater than anticipated. If all or a portion of load requirements were required to be covered as a result of such unexpected situations, commitments would have to be met through market purchases. TNMP does not enter into energy related derivative contracts.

Commodity Risk

Marketing and procurement of energy often involve market risks associated with managing energy commodities and establishing positions in the energy markets, primarily on a short-term basis. PNM routinely enters into various derivative instruments such as forward contracts, option agreements, and price basis swap agreements to economically hedge price and volume risk on power commitments and fuel requirements and to minimize the effect of market fluctuations. PNM monitors the market risk of its commodity contracts in accordance with approved risk and credit policies.

Accounting for Derivatives

Under derivative accounting and related rules for energy contracts, PNM accounts for its various instruments for the purchase and sale of energy, which meet the definition of a derivative, based on PNM's intent. During the years ended December 31, 2024, 2023, and 2022, PNM was not hedging its exposure to the variability in future cash flows from commodity derivatives through designated cash flow hedges. The derivative contracts recorded at fair value that do not qualify or are not designated for cash flow hedge accounting are classified as economic hedges. Economic hedges are defined as derivative instruments, including long-term power agreements, used to economically hedge generation assets, purchased power and fuel costs, and customer load requirements. Changes in the fair value of economic hedges are reflected in results of operations and are classified between operating revenues and cost of energy according to the intent of the hedge. PNM also uses such instruments under an NMPRC approved hedging plan to manage fuel and purchased power costs related to customers covered by its FPPAC. Changes in the fair value of instruments covered by its FPPAC are recorded as regulatory assets and liabilities. PNM has no trading transactions.

Commodity Derivatives

PNM's commodity derivative instruments that are recorded at fair value, all of which are accounted for as economic hedges and considered Level 2 fair value measurements, are presented in the following line items on the Consolidated Balance Sheets:

	Economic Hedges	
	December 31,	
	2024	2023
	(In thousands)	
Other current assets	\$ —	\$ 826
Other current liabilities	(5,737)	—
Net	<u>\$ (5,737)</u>	<u>\$ 826</u>

Certain of PNM's commodity derivative instruments in the above table are subject to master netting agreements whereby assets and liabilities could be offset in the settlement process. PNM does not offset fair value and cash collateral for derivative instruments under master netting arrangements and the above table reflects the gross amounts of fair value assets and liabilities for commodity derivatives.

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As discussed above, PNM has NMPRC-approved guidelines for hedging arrangements to manage fuel and purchased power costs related to customers covered by its FPPAC. The table above includes zero in current assets and \$5.7 million of current liabilities related to these arrangements at December 31, 2024 and \$0.8 million in current assets and zero of current liabilities at December 31, 2023 with changes in fair value recorded as regulatory assets and regulatory liabilities. See Note 13.

At December 31, 2024 and 2023, PNM had no amounts recognized for the legal right to reclaim cash collateral. However, amounts posted as cash collateral under margin arrangements were \$0.1 million at December 31, 2024 and \$0.2 million at December 31, 2023. These amounts are included in other current assets on the Consolidated Balance Sheets. At December 31, 2024 and December 31, 2023, obligations to return cash collateral were zero and \$0.2 million, which is included in other current liabilities on the Consolidated Balance Sheets.

The changes in the fair value of commodity derivative instruments that are considered economic hedges had no impact on PNM's net earnings during the years ended December 31, 2024 and 2023. Commodity derivatives also had no impact on OCI for the periods presented. Commodity contract volume positions are presented in MMBTU for gas related contracts and in MWh for power related contracts. The table below presents PNM's net buy (sell) volume positions:

	Economic Hedges	
	MMBTU	MWh
December 31, 2024	—	89,900
December 31, 2023	—	(15,360)

PNM has contingent requirements to provide collateral under commodity contracts having an objectively determinable collateral provision that are in net liability positions and are not fully collateralized with cash. In connection with managing its commodity risks, PNM enters into master agreements with certain counterparties. If PNM is in a net liability position under an agreement, some agreements provide that the counterparties can request collateral if PNM's credit rating is downgraded; other agreements provide that the counterparty may request collateral to provide it with "adequate assurance" that PNM will perform; and others have no provision for collateral.

The table below presents information about PNM's contingent requirement to provide collateral under certain commodity contracts having an objectively determinable collateral position, that are in net liability positions, and that are not fully collateralized with cash. Contractual liability represents those commodity derivative contracts recorded at fair value on the balance sheet, determined on an individual contract basis without offsetting amounts for individual contracts that are in an asset position and could be offset under master netting agreements with the same counterparty. Cash collateral posted under these contracts does not reflect letters of credit under the Company's revolving credit facilities that may have been issued as collateral. Net exposure is the net contractual liability for all contracts, including those designated as normal purchase and normal sale, offset by existing collateral and by any offsets available under master netting agreements, including both assets and liability positions.

Contingent Feature - Credit Rating	Contractual Liability	Existing Cash Collateral	Net Exposure
(In thousands)			
December 31, 2024	\$ 5,737	\$ —	\$ 5,737
December 31, 2023	\$ —	\$ —	\$ —

Non-Derivative Financial Instruments

The carrying amounts reflected on the Consolidated Balance Sheets approximate fair value for cash, receivables, and payables due to the short period of maturity. Investment securities are carried at fair value. Investment securities consist of PNM assets held in the NDT for its share of decommissioning costs of PVNGS, a trust for PNM's share of decommissioning costs at SJGS, and trusts for PNM's share of final reclamation costs related to the coal mines serving SJGS and Four Corners. See Note 16. At December 31, 2024 and 2023, the

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fair value of investment securities included \$384.6 million and \$361.0 million for the NDT, \$8.2 million and \$12.3 million for the SJGS decommissioning trust, and \$82.7 million and \$71.1 million for the coal mine reclamation trusts.

PNM records a realized loss as an impairment for any available-for-sale debt security that has a fair value that is less than its carrying value. As a result, the Company has no available-for-sale debt securities for which carrying value exceeds fair value and there are no impairments considered to be "other than temporary" that are included in AOCI and not recognized in earnings. All gains and losses resulting from sales and changes in the fair value of equity securities are recognized immediately in earnings. Gains and losses recognized on the Consolidated Statements of Earnings related to investment securities in the NDT and reclamation trusts are presented in the following table:

	Year ended December 31,		
	2024	2023	2022
	(In thousands)		
Equity securities:			
Net gains (losses) from equity securities sold	\$ 28,283	\$ 1,086	\$ (6,940)
Net gains (losses) from equity securities still held	(10,071)	14,152	(38,025)
Total net gains (losses) on equity securities	18,212	15,238	(44,965)
Available-for-sale debt securities:			
Net gains (losses) on debt securities	8,639	4,008	(33,392)
Net gains (losses) on investment securities	\$ 26,851	\$ 19,246	\$ (78,357)

The proceeds and gross realized gains and losses on the disposition of securities held in the NDT and coal mine reclamation trusts are shown in the following table. Realized gains and losses are determined by specific identification of costs of securities sold. Gross realized losses shown below exclude the (increase)/decrease in realized impairment losses of \$17.8 million, \$19.1 million, and \$(25.8) million for the years ended December 31, 2024, 2023 and 2022.

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Proceeds from sales	\$ 707,338	\$ 574,199	\$ 526,448
Gross realized gains	\$ 35,918	\$ 18,618	\$ 22,071
Gross realized (losses)	\$ (16,814)	\$ (32,649)	\$ (36,623)

At December 31, 2024, the available-for-sale debt securities held by PNM, had the following final maturities:

	Fair Value
	(In thousands)
Within 1 year	\$ 24,446
After 1 year through 5 years	7,898
	\$ 32,344

Fair Value Disclosures

The Company determines the fair values of its derivative and other financial instruments based on the hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

For investment securities, Level 2 fair values are provided by fund managers utilizing a pricing service. For Level 2 fair values, the pricing provider predominantly uses the market approach using bid side market values based upon a hierarchy of information for specific securities or securities with similar characteristics. Fair values

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of Level 2 investments in mutual funds are equal to net asset value (“NAV”). For commodity derivatives, Level 2 fair values are determined based on market observable inputs, which are validated using multiple broker quotes, including forward price, volatility, and interest rate curves to establish expectations of future prices. Credit valuation adjustments are made for estimated credit losses based on the overall exposure to each counterparty. For the Company’s long-term debt, Level 2 fair values are provided by an external pricing service. The pricing service primarily utilizes quoted prices for similar debt in active markets when determining fair value. Management of the Company independently verifies the information provided by pricing services. Uncategorized investments include common/collective investment trusts, which are measured at NAV at the end of each reporting period. Audited financial statements are received for each fund and reviewed by the Company annually. Fair value for these collective investment trusts is measured using a practical expedient provided under GAAP that allows the NAV per share to be used as fair value for investments in certain entities that do not have readily determinable fair values and are considered to be investment companies. Investments valued using this practical expedient are not required to be presented within the GAAP fair value hierarchy.

Items recorded at fair value by PNM on the Consolidated Balance Sheets are presented below by level of the fair value hierarchy along with gross unrealized gains on investments in available-for-sale debt securities.

	Total	GAAP Fair Value Hierarchy		Unrealized Gains
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
(In thousands)				
December 31, 2024				
Cash and cash equivalents	\$ 150,745	\$ 150,745	\$ —	
Equity securities:				
Corporate stocks, common	134,553	134,553	—	
Mutual funds and other	135,779	135,779	—	
Available-for-sale debt securities:				
U.S. government	25,148	25,148	—	\$ 202
Municipals	—	—	—	—
Corporate and other	7,196	—	7,196	122
Investments categorized within the fair value hierarchy	\$ 453,421	\$ 446,225	\$ 7,196	\$ 324
Uncategorized Collective Investment Trust	22,103			
Total investment securities	\$ 475,524			

December 31, 2023				
Cash and cash equivalents	\$ 93,873	\$ 93,873	\$ —	
Equity securities:				
Corporate stocks, common	77,422	77,422	—	
Corporate stocks, preferred	4,323	504	3,819	
Mutual funds and other	57,966	57,966	—	
Available-for-sale debt securities:				
U.S. government	35,113	34,522	591	\$ 2,055
International government	8,735	—	8,735	104
Municipals	53,436	—	53,436	2,872
Corporate and other	113,540	—	113,540	9,285
	\$ 444,408	\$ 264,287	\$ 180,121	\$ 14,316

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The carrying amounts and fair values of long-term debt, all of which are considered Level 2 fair value measurements and are not recorded at fair value on the Consolidated Balance Sheets are presented below:

	Carrying Amount	Fair Value
December 31, 2024	(In thousands)	
TXNM	\$ 4,923,368	\$ 4,706,076
PNM	\$ 2,459,592	\$ 2,284,362
TNMP	\$ 1,464,079	\$ 1,324,194
December 31, 2023		
TXNM	\$ 4,521,811	\$ 4,260,509
PNM	\$ 2,261,780	\$ 2,107,588
TNMP	\$ 1,260,880	\$ 1,152,922

The carrying amount and fair value of the Company's other investments presented on the Consolidated Balance Sheets are not material and not shown in the above table.

Investments Held by Employee Benefit Plans

As discussed in Note 11, PNM and TNMP have trusts that hold investment assets for their pension and other postretirement benefit plans. The fair value of the assets held by the trusts impacts the determination of the funded status of each plan, but the assets are not reflected on the Company's Consolidated Balance Sheets. Both the PNM Pension Plan and the TNMP Pension Plan hold units of participation in the PNM Resources, Inc. Master Trust (the "PNMR Master Trust"), which was established for the investment of assets of the pension plans. The PNM Pension Plan's investment allocation targets in 2024 consist of 35% equities, 15% alternative investments (both of which are considered return generating), and 50% fixed income. The TNMP Pension Plan's investment allocation targets in 2024 consist of 16% equities, 14% alternative investments (both of which are considered return generating), and 70% fixed income.

GAAP provides a practical expedient that allows the net asset value per share to be used as fair value for investments in certain entities that do not have readily determinable fair values and are considered to be investment companies. Fair values for alternative investments held by the PNMR Master Trust and PNM OPEB Plan are valued using this practical expedient. Investments for which fair value is measured using that practical expedient are not required to be categorized within the fair value hierarchy. Level 2 fair values are provided by fund managers utilizing a pricing service. For level 2 fair values, the pricing provider predominately uses the market approach using bid side market value based upon a hierarchy of information for specific securities or securities with similar characteristics. Fair values of Level 2 investments in mutual funds are equal to net asset value as of year-end. Fair value prices for Level 2 corporate term loans predominately use the market approach which uses bid side market values based upon hierarchy information for specific securities or securities with similar characteristics. Alternative investments include private equity funds, hedge funds, real estate funds, and a private collective investment trust. The private equity funds are not voluntarily redeemable. These investments are realized through periodic distributions occurring over a 10 to 15 years term after the initial investment. The real estate funds and hedge funds may be voluntarily redeemed but are subject to redemption provisions that may result in the funds not being redeemable in the near term. The private collective investment trust is a non-unitized fund that does not publish daily prices. Audited financial statements are received for each fund and are reviewed by the Company annually.

The valuation of alternative investments requires significant judgment by the pricing provider due to the absence of quoted market values, changes in market conditions, and the long-term nature of the assets. The significant unobservable inputs include estimates of liquidation value, current operating performance, and future expectations of performance.

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The fair values of investments held by the employee benefit plans are as follows:

	Total	GAAP Fair Value Hierarchy	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
December 31, 2024			
PNM Pension Plan			
Participation in PNMR Master Trust Investments:			
Investments categorized within fair value hierarchy	\$ 319,528	\$ 106,220	\$ 213,308
Uncategorized investments	59,546		
Total Master Trust Investments	<u>\$ 379,074</u>		
TNMP Pension Plan			
Participation in PNMR Master Trust Investments:			
Investments categorized within fair value hierarchy	\$ 33,294	\$ 7,543	\$ 25,751
Uncategorized investments	4,872		
Total Master Trust Investments	<u>\$ 38,166</u>		
PNM OPEB Plan			
Cash and cash equivalents	\$ 825	\$ 825	\$ —
Equity securities:			
Mutual funds	38,713	38,713	—
Investments categorized within fair value hierarchy	\$ 39,538	\$ 39,538	\$ —
Uncategorized investments	31,176		
	<u>\$ 70,714</u>		
TNMP OPEB Plan			
Cash and cash equivalents	\$ 111	\$ 111	\$ —
Equity securities:			
Mutual funds	6,987	6,987	—
Investments categorized within fair value hierarchy	\$ 7,098	\$ 7,098	\$ —
Uncategorized investments	484		
	<u>\$ 7,582</u>		

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	Total	GAAP Fair Value Hierarchy	
		Quoted Prices in Active Markets for Identical Assets (Level 1) (In thousands)	Significant Other Observable Inputs (Level 2)
December 31, 2023			
PNM Pension Plan			
Participation in PNMR Master Trust Investments:			
Investments categorized within fair value hierarchy	\$ 342,296	\$ 136,474	\$ 205,822
Uncategorized investments	65,421		
Total Master Trust Investments	<u>\$ 407,717</u>		
TNMP Pension Plan			
Participation in PNMR Master Trust Investments:			
Investments categorized within fair value hierarchy	\$ 35,870	\$ 12,192	\$ 23,678
Uncategorized investments	5,258		
Total Master Trust Investments	<u>\$ 41,128</u>		
PNM OPEB Plan			
Cash and cash equivalents	\$ 2,419	\$ 2,419	\$ —
Equity securities:			
Mutual funds	47,674	43,703	3,971
Investments categorized within fair value hierarchy	\$ 50,093	\$ 46,122	\$ 3,971
Uncategorized investments	23,290		
Total Master Trust Investments	<u>\$ 73,383</u>		
TNMP OPEB Plan			
Cash and cash equivalents	\$ 162	\$ 162	\$ —
Equity securities:			
Mutual funds	8,241	7,806	435
Investments categorized within fair value hierarchy	<u>\$ 8,403</u>	<u>\$ 7,968</u>	<u>\$ 435</u>

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The fair values of investments in the PNMR Master Trust are as follows:

	Total	GAAP Fair Value Hierarchy	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
December 31, 2024			
PNMR Master Trust			
Cash and cash equivalents	\$ 10,981	\$ 10,981	\$ —
Equity securities:			
Corporate stocks, common	34,418	34,418	—
Corporate stocks, preferred	—	—	—
Mutual funds and other	146,858	45,333	101,525
Fixed income securities:			
U.S. government	56,303	23,031	33,272
International government	—	—	—
Municipals	4,718	—	4,718
Corporate and other	99,544	—	99,544
Total investments categorized within fair value hierarchy	352,822	\$ 113,763	\$ 239,059
Uncategorized investments:			
Private equity funds	2,846		
Hedge funds	34,126		
Real estate funds	27,446		
	<u>\$ 417,240</u>		
December 31, 2023			
PNMR Master Trust			
Cash and cash equivalents	\$ 13,995	\$ 13,995	\$ —
Equity securities:			
Corporate stocks, common	27,167	27,167	—
Corporate stocks, preferred	741	741	—
Mutual funds and other	159,281	49,219	110,062
Fixed income securities:			
U.S. government	61,684	57,544	4,140
International government	4,713	—	4,713
Municipals	5,071	—	5,071
Corporate and other	105,514	—	105,514
Total investments categorized within fair value hierarchy	378,166	\$ 148,666	\$ 229,500
Uncategorized investments:			
Private equity funds	5,617		
Hedge funds	35,137		
Real estate funds	29,925		
	<u>\$ 448,845</u>		

(10) Variable Interest Entities

How an enterprise evaluates and accounts for its involvement with variable interest entities, focuses primarily on whether the enterprise has the power to direct the activities that most significantly impact the economic performance of a variable interest entity (“VIE”). This evaluation requires continual reassessment of the primary beneficiary of a VIE.

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Valencia

PNM has a PPA to purchase all of the electric capacity and energy from Valencia, a 155 MW natural gas-fired power plant near Belen, New Mexico, through May 2028. A third party built, owns, and operates the facility while PNM is the sole purchaser of the electricity generated. PNM is obligated to pay fixed operation and maintenance and capacity charges in addition to variable operation and maintenance charges under this PPA. For the years ended December 31, 2024, 2023, and 2022, PNM paid \$20.5 million, \$20.3 million, and \$19.5 million for fixed charges and \$2.4 million, \$5.2 million, and \$1.9 million for variable charges. PNM does not have any other financial obligations related to Valencia. The assets of Valencia can only be used to satisfy its obligations and creditors of Valencia do not have any recourse against PNM's assets. During the term of the PPA, PNM has the option, under certain conditions, to purchase and own up to 50% of the plant or the VIE. The PPA specifies that the purchase price would be the greater of 50% of book value reduced by related indebtedness or 50% of fair market value.

PNM sources fuel for the plant, controls when the facility operates through its dispatch, and receives the entire output of the plant, which factors directly and significantly impact the economic performance of Valencia. Therefore, PNM has concluded that the third-party entity that owns Valencia is a VIE and that PNM is the primary beneficiary of the entity since PNM has the power to direct the activities that most significantly impact the economic performance of Valencia and will absorb the majority of the variability in the cash flows of the plant. As the primary beneficiary, PNM consolidates Valencia in its financial statements. Accordingly, the assets, liabilities, operating expenses, and cash flows of Valencia are included in the Consolidated Financial Statements of PNM although PNM has no legal ownership interest or voting control of the VIE. The assets and liabilities of Valencia are set forth below and are not shown separately on the Consolidated Balance Sheets. The owner's equity and net income of Valencia are considered attributable to non-controlling interest.

Summarized financial information for Valencia is as follows:

Results of Operations

	Year Ended December 31		
	2024	2023	2022
	(In thousands)		
Operating revenues	\$ 22,763	\$ 25,421	\$ 21,403
Operating expenses	6,723	6,896	6,281
Other Misc (Income)/Expense	—	(8)	—
Earnings attributable to non-controlling interest	<u>\$ 16,040</u>	<u>\$ 18,533</u>	<u>\$ 15,122</u>

Financial Position

	December 31,	
	2024	2023
	(In thousands)	
Current assets	\$ 3,095	\$ 3,422
Net property, plant and equipment	44,411	47,253
Total assets	<u>47,506</u>	<u>50,675</u>
Current liabilities	606	717
Owners' equity – non-controlling interest	<u>\$ 46,900</u>	<u>\$ 49,958</u>

Westmoreland San Juan Mining, LLC

As discussed in the subheading Coal Supply in Note 16, PNM and Westmoreland San Juan Mining, LLC ("WSJ LLC"), a subsidiary of Westmoreland Mining Holdings, LLC have an agreement under which mine reclamation services for SJGS will be provided.

TXNM issued \$30.3 million in letters of credit to facilitate the issuance of reclamation bonds. The letters of credit support results in TXNM having a variable interest in WSJ LLC since TXNM is subject to possible loss in the event performance by TXNM is required under the letters of credit support. TXNM considers the possibility of loss under the letters of credit support to be remote since the purpose of posting the bonds is to provide assurance

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that WSJ LLC performs the required reclamation of the mine site in accordance with applicable regulations and the reclamation services agreement provides WSJ LLC the ability to recover the cost of reclamation. As discussed in Note 16, each of the SJGS participants has established and actively fund trusts to meet future reclamation obligations.

WSJ LLC is considered a VIE. TXNM's analysis of its arrangements with WSJ LLC concluded that WSJ LLC has the ability to direct its reclamation services, which are the factors that most significantly impact the economic performance of WSJ LLC. Other than PNM being able to monitor reclamation activities, the reclamation services were solely under the control of WSJ LLC, including developing reclamation plans, hiring of personnel, and incurring operating and maintenance expenses. Neither TXNM nor PNM has any ability to direct or influence the reclamation activities. PNM's involvement through the reclamation services agreement is a protective right rather than a participating right and WSJ LLC still has the power to direct the activities that most significantly impact the economic performance of WSJ LLC. If WSJ LLC performs reclamation services more efficiently than anticipated, its economic performance will improve. Conversely, if WSJ LLC does not perform reclamation services as efficiently as anticipated, its economic performance will be negatively impacted. Accordingly, TXNM believes WSJ LLC is the primary beneficiary and, therefore, WSJ LLC is not consolidated by either TXNM or PNM. The amounts outstanding under the letters of credit support continue to be TXNM's maximum exposure to loss from the VIE at December 31, 2024.

ETBC I

ETBC I is a wholly-owned, special purpose, subsidiary of PNM that was formed in August 2023 for the limited purpose of purchasing, owning, and administering energy transition property, issuing Securitized Bonds, and performing related activities authorized by the NMPRC. On November 15, 2023, ETBC I issued the ETBC I Securitized Bonds and used the proceeds to purchase energy transition property from PNM. The energy transition property purchased includes the right to impose, bill, collect, and adjust a non-bypassable energy transition charge from all PNM retail customers until the ETBC I Securitized Bonds are paid in full and all allowed financing costs have been recovered. The ETBC I Securitized bonds are secured by the energy transition property and cash collections from the energy transition charges are the sole source of funds to satisfy the debt obligation. The bondholders have no recourse to PNM.

PNM acts as the servicer of the energy transition property on behalf of ETBC I and is responsible for metering, calculating, billing, and collecting the Energy Transition Charges. On behalf of ETBC I, PNM is required to remit all collections of the Energy Transition Charges to the trustee for the ETBC I Securitized Bonds. PNM has the power to direct the activities that most significantly impact the economic performance of ETBC I and will absorb the majority of the variability in the cash flows of the entity. As the primary beneficiary, PNM consolidates ETBC I in its financial statements. Accordingly, the assets, liabilities, operating expenses, and cash flows of ETBC I are included in the Consolidated Financial Statements of PNM.

The following tables summarize the impact of ETBC I on PNM's Consolidated Financial Statements:

	Results of Operations	
	Year ended December 31,	
	2024	2023
	(In thousands)	
Electric Operating Revenues	\$ 24,798	\$ 2,914
Depreciation and amortization	4,550	407
Interest Charges	20,073	2,516
Other	175	(9)
Net Earnings	<u>\$ —</u>	<u>\$ —</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)

Financial Position

	December 31,	
	2024	2023
	(In thousands)	
Regulatory assets - Current	\$ —	\$ 2,724
Restricted cash (included in Other current assets)	15,838	—
Restricted cash (included in Other deferred charges)	1,748	1,728
Securitized Cost (included in Regulatory assets - Deferred)	336,079	340,629
Current installments of long-term debt	6,907	2,529
Accrued interest and taxes	7,452	2,502
Regulatory liabilities - Current	6,975	—
Long-term Debt	331,726	338,521

(11) Pension and Other Postretirement Benefits

TXNM and its subsidiaries maintain qualified defined benefit pension plans, postretirement benefit plans providing medical and dental benefits, and executive retirement programs (collectively, the “PNM Plans” and “TNMP Plans”). TXNM maintains the legal obligation for the benefits owed to participants under these plans. The periodic costs or income of the PNM Plans and TNMP Plans are included in regulated rates to the extent attributable to regulated operations. PNM and TNMP receive a regulated return on the amounts funded for pension and OPEB plans in excess of the periodic cost or income to the extent included in retail rates (a “prepaid pension asset”).

Participants in the PNM Plans include eligible employees and retirees of TXNM and PNM. Participants in the TNMP Plans include eligible employees and retirees of TNMP. The PNM pension plan was frozen at the end of 1997 with regard to new participants, salary levels, and benefits. Through December 31, 2007, additional credited service could be accrued under the PNM pension plan up to a limit determined by age and service. The TNMP pension plan was frozen at December 31, 2005 with regard to new participants, salary levels, and benefits.

A plan sponsor is required to (a) recognize in its statement of financial position an asset for a plan’s overfunded status or a liability for a plan’s underfunded status; (b) measure a plan’s assets and its obligations that determine its funded status as of the end of the employer’s fiscal year; and (c) recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur.

Unrecognized prior service costs and unrecognized gains or losses are required to be recorded in AOCI and subsequently amortized. To the extent the amortization of these items will ultimately be recovered or returned through future rates, PNM and TNMP record the costs as a regulatory asset or regulatory liability. The amortization of these incurred costs is included as pension and postretirement benefit periodic cost or income in subsequent years.

The Company maintains trust funds for the pension and OPEB plans from which benefits are paid to eligible employees and retirees. The Company’s funding policy is to make contributions to the trusts, as determined by an independent actuary, that comply with minimum guidelines of the Employee Retirement Income Security Act and the IRC. Information concerning the fair value of investments is contained in Note 9. The Company has in place a policy that defines the investment objectives, establishes performance goals of asset managers, and provides procedures for the manner in which investments are to be reviewed. The plans implement investment strategies to achieve the following objectives:

- Implement investment strategies commensurate with the risk that the Corporate Investment Committee deems appropriate to meet the obligations of the pension plans and OPEB plans, minimize the volatility of expense, and account for contingencies
- Transition asset mix over the long-term to a higher proportion of high-quality fixed income investments as the plans’ funded statuses improve

Management is responsible for the determination of the asset target mix and the expected rate of return. The target asset allocations are determined based on consultations with external investment advisors. The expected long-term rate of return on pension and postretirement plan assets is calculated on the market-related

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value of assets. Actual gains and losses on pension and OPEB plan assets are recognized in the market-related value of assets equally over a period of not more than five years, which reduces year-to-year volatility. For the PNM Plans and TNMP Plans, the market-related value of assets is equal to the prior year's market-related value of assets adjusted for contributions, benefit payments and investment gains and losses that are within a corridor of plus or minus 4.0% around the expected return on market value. Gains and losses that are outside the corridor are amortized over five years.

Pension Plans

For defined benefit pension plans, including the executive retirement plans, the PBO represents the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered prior to that date using assumptions regarding future compensation levels. The ABO represents the PBO without considering future compensation levels. Since the pension plans are frozen, the PBO and ABO are equal.

The following table presents information about the PBO, fair value of plan assets, and funded status of the plans:

	PNM		TNMP	
	Year Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(In thousands)			
PBO at beginning of year	\$ 418,657	\$ 433,645	\$ 42,582	\$ 43,961
Service cost	—	—	—	—
Interest cost	21,709	23,653	2,214	2,402
Actuarial (gain) loss	(6,063)	4,290	(2,047)	1,261
Benefits paid	(40,942)	(42,931)	(3,526)	(5,042)
Settlements	—	—	—	—
PBO at end of year	393,361	418,657	39,223	42,582
Fair value of plan assets at beginning of year	407,211	410,463	41,353	43,447
Actual return on plan assets	12,884	39,679	247	2,948
Employer contributions	1	—	151	—
Benefits paid	(40,942)	(42,931)	(3,526)	(5,042)
Settlements	—	—	—	—
Fair value of plan assets at end of year	379,154	407,211	38,225	41,353
Funded status – asset (liability) for pension benefits	\$ (14,207)	\$ (11,446)	\$ (998)	\$ (1,229)

Actuarial (gain) loss results from changes in:

	PNM		TNMP	
	Year Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
Discount rates	\$ (9,376)	\$ 8,806	\$ (961)	\$ 969
Demographic experience	3,313	(1,777)	(1,125)	538
Mortality rate	—	(2,739)	—	(239)
Other assumptions and experience	—	—	39	(7)
	\$ (6,063)	\$ 4,290	\$ (2,047)	\$ 1,261

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The following table presents pre-tax information about net actuarial (gain) loss in AOCI as of December 31, 2024.

	PNM	TNMP
	(In thousands)	
Amounts in AOCI not yet recognized in net periodic benefit cost at beginning of year	\$ 104,067	\$ —
Experience (gain) loss	12,081	456
Regulatory asset (liability) adjustment	(8,853)	(456)
Amortization recognized in net periodic benefit (income)	(4,782)	—
Amounts in AOCI not yet recognized in net periodic benefit cost at end of year	<u>\$ 102,513</u>	<u>\$ —</u>

The following table presents the components of net periodic benefit cost (income):

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
PNM			
Service cost	\$ —	\$ —	\$ —
Interest cost	21,709	23,653	16,857
Expected return on plan assets	(31,029)	(29,196)	(28,563)
Amortization of net loss	10,646	10,583	15,794
Amortization of prior service cost	—	—	—
Net periodic benefit cost	<u>\$ 1,326</u>	<u>\$ 5,040</u>	<u>\$ 4,088</u>
TNMP			
Service cost	\$ —	\$ —	\$ —
Interest cost	2,214	2,402	1,720
Expected return on plan assets	(2,749)	(2,697)	(2,472)
Amortization of net loss	556	439	932
Amortization of prior service cost	—	—	—
Settlement loss	—	—	1,033
Net periodic benefit cost	<u>\$ 21</u>	<u>\$ 144</u>	<u>\$ 1,213</u>

The following significant weighted-average assumptions were used to determine the PBO and net periodic benefit cost (income). Should actual experience differ from actuarial assumptions, the PBO and net periodic benefit cost (income) would be affected.

	Year Ended December 31,		
	2024	2023	2022
PNM			
Discount rate for determining December 31 PBO	5.78 %	5.46 %	5.74 %
Discount rate for determining net periodic benefit cost	5.46	5.74	3.00
Expected return on plan assets	6.86	6.30	5.50
Rate of compensation increase	N/A	N/A	N/A
TNMP			
Discount rate for determining December 31 PBO	5.78 %	5.47 %	5.75 %
Discount rate for determining net periodic benefit cost	5.47	5.75	3.01
Expected return on plan assets	5.95	5.50	4.40
Rate of compensation increase	N/A	N/A	N/A

The assumed discount rate for determining the PBO was determined based on a review of long-term high-grade bonds and management's expectations. The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested, or to be invested, to provide for the benefits included in the PBO. Factors that are considered include, but are not limited to, historic returns on plan assets, current market information on long-term returns (e.g., long-term bond rates) and current and target asset allocations

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between asset categories. If all other factors were to remain unchanged, a 1% decrease in the expected long-term rate of return would cause PNM's and TNMP's 2025 net periodic benefit cost to increase \$4.1 million and \$0.4 million (analogous changes would result from a 1% increase). The actual rate of return for the PNM and TNMP pension plans was 3.33% and 0.62% for the year ended December 31, 2024.

The Company's long-term pension investment strategy is to invest in assets whose interest rate sensitivity is correlated with the pension liability. The Company uses an investment strategy, known as Liability Driven Investing, that increases the liability matching investments as the funded status of the pension plans improve. The Company's investment allocation targets consist of 35% equities, 15% alternative investments (both of which are considered return generating), and 50% liability matching securities that are primarily bonds and other fixed income investments. Equity investments are primarily in domestic securities that include large-, mid-, and small-capitalization companies. The pension plans have a 13% targeted allocation to equities of companies domiciled primarily in developed countries outside of the U.S. The equity investments category includes active and passive managed domestic equity securities that are benchmarked against a variety of style indices. Fixed income investments are primarily corporate bonds of companies from diversified industries and government securities. Alternative investments include investments in hedge funds, real estate funds, and private equity funds. The private equity funds are structured as multi-manager multi-strategy fund of funds to achieve a diversified position in these asset classes. The hedge funds use multi-strategies that pursue various absolute return strategies such as relative value, merger arbitrage, event driven equities, and structured credit. The real estate investments are commingled real estate portfolios that invest in a diversified portfolio of assets including commercial property, infrastructure, storage facilities and multi-family housing. See Note 9 for fair value information concerning assets held by the pension plans.

The following pension benefit payments are expected to be paid:

	PNM	TNMP
	(In thousands)	
2025	\$ 40,927	\$ 4,239
2026	39,585	4,188
2027	38,706	4,000
2028	37,373	3,902
2029	36,231	3,759
2030 - 2034	160,876	15,464

Based on current law, funding requirements, and estimates of portfolio performance, the Company does not expect to make any cash contributions to the pension plans in 2025 through 2028. PNM does expect to make a cash contribution of \$7.9 million in 2029. TNMP does not expect to make any cash contributions to the pension plans from 2025 through 2029. The funding assumptions were developed using a discount rate of 5.35%. Actual amounts to be funded in the future will be dependent on the actuarial assumptions at that time, including the appropriate discount rates. PNM and TNMP may make additional contributions at their discretion.

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Other Postretirement Benefit Plans

For postretirement benefit plans, the APBO is the actuarial present value of all future benefits attributed under the terms of the postretirement benefit plan to employee service rendered to date. The following table presents information about the APBO, the fair value of plan assets, and the funded status of the plans:

	PNM		TNMP	
	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
	(In thousands)			
APBO at beginning of year	\$ 46,217	\$ 49,950	\$ 7,331	\$ 7,705
Service cost	—	—	21	21
Interest cost	2,387	2,703	385	425
Participant contributions	1,463	1,592	357	359
Actuarial (gain)	(2,205)	(1,608)	(147)	(282)
Benefits paid	(6,261)	(6,420)	(1,193)	(897)
Curtailment loss	—	—	—	—
APBO at end of year	41,601	46,217	6,754	7,331
Fair value of plan assets at beginning of year	73,392	70,301	8,353	8,718
Actual return on plan assets	3,216	7,762	25	173
Employer contributions	193	157	—	—
Participant contributions	1,463	1,592	357	359
Benefits paid	(6,261)	(6,420)	(1,193)	(897)
Fair value of plan assets at end of year	72,003	73,392	7,542	8,353
Funded status – asset	\$ 30,402	\$ 27,175	\$ 788	\$ 1,022

As of December 31, 2024, the fair value of plan assets exceeds the APBO for both PNM's and TNMP's OPEB Plans, and the resulting net asset is presented in other deferred charges on the Consolidated Balance Sheets.

Actuarial (gain) loss results from changes in:

	PNM		TNMP	
	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
	(in thousands)			
Discount rates	\$ (877)	\$ 868	\$ (179)	\$ 174
Claims, contributions, and demographic experience	(1,425)	(2,171)	32	(423)
Assumed participation rate	97	—	—	—
Mortality rate	—	(305)	—	(33)
Dental trend assumption	—	—	—	—
	\$ (2,205)	\$ (1,608)	\$ (147)	\$ (282)

In the year ended December 31, 2024, actuarial losses of \$0.1 million were recorded as adjustments to regulatory assets for the PNM OPEB plan. For the TNMP OPEB plan, actuarial losses of \$0.3 million were recorded as adjustments to regulatory liabilities.

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The following table presents the components of net periodic benefit cost (income):

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
PNM			
Service cost	\$ —	\$ —	\$ 10
Interest cost	2,387	2,703	1,914
Expected return on plan assets	(5,563)	(4,969)	(4,351)
Amortization of net loss	—	—	—
Curtailment loss	—	—	836
Net periodic benefit (income)	<u>\$ (3,176)</u>	<u>\$ (2,266)</u>	<u>\$ (1,591)</u>
TNMP			
Service cost	\$ 21	\$ 21	\$ 38
Interest cost	385	425	307
Expected return on plan assets	(515)	(481)	(418)
Amortization of net (gain)	(642)	(760)	(520)
Net periodic benefit (income)	<u>\$ (751)</u>	<u>\$ (795)</u>	<u>\$ (593)</u>

The following significant weighted-average assumptions were used to determine the APBO and net periodic benefit cost. Should actual experience differ from actuarial assumptions, the APBO and net periodic benefit cost would be affected.

	Year Ended December 31,		
	2024	2023	2022
PNM			
Discount rate for determining December 31 APBO	5.78 %	5.48 %	5.75 %
Discount rate for determining net periodic benefit cost	5.48	5.75	2.99
Expected return on plan assets	6.60	5.90	4.75
Rate of compensation increase	N/A	N/A	N/A
TNMP			
Discount rate for determining December 31 APBO	5.78 %	5.48 %	5.75 %
Discount rate for determining net periodic benefit cost	5.48	5.75	2.99
Expected return on plan assets	5.25	4.70	3.80
Rate of compensation increase	N/A	N/A	N/A

The assumed discount rate for determining the APBO was determined based on a review of long-term high-grade bonds and management's expectations. The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested, or to be invested, to provide for the benefits included in the APBO. Factors that are considered include, but are not limited to, historic returns on plan assets, current market information on long-term returns (e.g., long-term bond rates), and current and target asset allocations between asset categories. If all other factors were to remain unchanged, a 1% decrease in the expected long-term rate of return would cause PNM's and TNMP's 2025 net periodic benefit cost to increase \$0.8 million and \$0.1 million (analogous changes would result from a 1% increase). The actual rate of return for the PNM and TNMP OPEB plans was 4.5% and 0.3% for the year ended December 31, 2024.

The following table shows the assumed health care cost trend rates for the PNM OPEB plan:

	PNM	
	December 31,	
	2024	2023
Health care cost trend rate assumed for next year	6.50 %	6.00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.75	4.75
Year that the rate reaches the ultimate trend rate	2033	2029

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TNMP's exposure to cost increases in the OPEB plan is minimized by a provision that limits TNMP's share of costs under the plan. Costs of the plan in excess of the limit, which was reached at the end of 2001, are wholly borne by the participants. As a result, a one-percentage-point change in assumed health care cost trend rates would have no effect on either the net periodic expense or the year-end APBO. Effective January 1, 2018, the PNM OPEB plan was amended to limit the annual increase in the Company's costs to 5%. Increases in excess of the limit are born by the PNM OPEB plan participants.

The Company's OPEB plans invest in a portfolio that is diversified by asset class and style strategies. The OPEB plans generally use the same pension fixed income and equity investment managers and utilize the same overall investment strategy as described above for the pension plans, except there is no allocation to alternative investments. The OPEB plans have a target asset allocation of 30% equities and 70% fixed income. See Note 9 for fair value information concerning assets held by the other postretirement benefit plans. The following OPEB payments, which reflect expected future service and are net of participant contributions, are expected to be paid:

	PNM	TNMP
	(In thousands)	
2025	\$ 4,771	\$ 589
2026	4,560	597
2027	4,333	588
2028	4,128	585
2029	3,871	574
2030 - 2034	16,604	2,606

PNM and TNMP made cash contributions to the OPEB trusts in 2024 of less than \$0.1 million and \$0.2 million and did not make any cash contributions in 2023. PNM and TNMP do not expect to make cash contributions to the OPEB trusts in 2025-2029. However, a portion of the disbursements attributable to the OPEB trust are paid by PNM and are therefore considered to be contributions to the PNM OPEB plan. Payments by PNM on behalf of the PNM OPEB plan are expected to be \$2.0 million in 2025 and \$11.1 million in 2026-2029.

Executive Retirement Programs

For the executive retirement programs, the following table presents information about the PBO and funded status of the plans:

	PNM		TNMP	
	Year Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(In thousands)			
PBO at beginning of year	\$ 9,714	\$ 10,042	\$ 316	\$ 344
Service cost	—	—	—	—
Interest cost	496	540	15	18
Actuarial (gain) loss	(47)	411	(314)	13
Benefits paid	(1,132)	(1,279)	(17)	(59)
PBO at end of year – funded status	9,031	9,714	—	316
Less current liability	1,171	1,210	—	64
Non-current liability	<u>\$ 7,860</u>	<u>\$ 8,504</u>	<u>\$ —</u>	<u>\$ 252</u>

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The following table presents pre-tax information about net actuarial loss in AOCI as of December 31, 2024.

	December 31, 2024	
	PNM	TNMP
	(In thousands)	
Amount in AOCI not yet recognized in net periodic benefit cost at beginning of year	\$ 1,104	\$ —
Experience (gain)	(45)	(314)
Regulatory asset adjustment	26	314
Amortization recognized in net periodic benefit (income)	(84)	—
Amount in AOCI not yet recognized in net periodic benefit cost at end of year	<u>\$ 1,001</u>	<u>\$ —</u>

The following table presents the components of net periodic benefit cost:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
PNM			
Service cost	\$ —	\$ —	\$ —
Interest cost	496	540	362
Amortization of net loss	200	152	327
Amortization of prior service cost	—	—	—
Net periodic benefit cost	<u>\$ 696</u>	<u>\$ 692</u>	<u>\$ 689</u>
TNMP			
Service cost	\$ —	\$ —	\$ —
Interest cost	15	18	11
Amortization of net loss	—	—	—
Amortization of prior service cost	—	—	—
Net periodic benefit cost	<u>\$ 15</u>	<u>\$ 18</u>	<u>\$ 11</u>

The following significant weighted-average assumptions were used to determine the PBO and net periodic benefit cost. Should actual experience differ from actuarial assumptions, the PBO and net periodic benefit cost would be affected.

	Year Ended December 31,		
	2024	2023	2022
PNM			
Discount rate for determining December 31 PBO	5.78 %	5.45 %	5.73 %
Discount rate for determining net periodic benefit cost	5.45	5.73	3.02
Long-term rate of return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A
TNMP			
Discount rate for determining December 31 PBO	N/A	5.47 %	5.75 %
Discount rate for determining net periodic benefit cost	5.47	5.75	3.01
Long-term rate of return on plan assets	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A

The assumed discount rate for determining the PBO was determined based on a review of long-term high-grade bonds and management's expectations. The impacts of changes in assumptions or experience were not significant.

Disbursements under the executive retirement program, funded by PNM and TNMP, which are considered to be contributions to the plan were \$1.3 million and less than \$0.1 million in the year ended December 31, 2024 and \$1.3 million and \$0.1 million for the year ended December 31, 2023.

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The following executive retirement plan payments, which reflect expected future service, are expected:

	PNM	TNMP	
	(In thousands)		
2025	\$ 1,205	\$ —	
2026	1,150	—	
2027	1,089	—	
2028	1,022	—	
2029	952	—	
2030 - 2034	3,699	—	

Other Retirement Plans

TXNM sponsors a 401(k) defined contribution plan for eligible employees, including those of its subsidiaries. TXNM's contributions to the 401(k) plan consist of a discretionary matching contribution equal to 75% of the first 6% of eligible compensation contributed by the employee on a before-tax basis. TXNM also makes a non-matching contribution ranging from 3% to 10% of eligible compensation based on the eligible employee's age. TXNM also provides executive deferred compensation benefits through an unfunded, non-qualified plan. The purpose of this plan is to permit certain key employees of TXNM who participate in the 401(k) defined contribution plan to defer compensation and receive credits without reference to the certain limitations on contributions.

A summary of expenses for these other retirement plans is as follows:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
TXNM			
401(k) plan	\$ 17,514	\$ 16,118	\$ 15,844
Non-qualified plan	\$ 4,350	\$ 1,197	\$ (1,027)
PNM			
401(k) plan	\$ 11,896	\$ 10,839	\$ 11,067
Non-qualified plan	\$ 2,937	\$ 825	\$ (721)
TNMP			
401(k) plan	\$ 5,617	\$ 5,279	\$ 4,776
Non-qualified plan	\$ 1,414	\$ 372	\$ (305)

(12) Stock-Based Compensation

TXNM has various stock-based compensation programs, which provide restricted stock awards, that are performance based and time based, under the Performance Equity Plan ("PEP"). Although certain PNM and TNMP employees are eligible to participate in the TXNM plans, PNM and TNMP do not have separate employee stock-based compensation plans. Performance stock awards awarded under the PEP are awarded for a three-year, overlapping performance period. Performance stock awards with performance periods ending before 2024 or after 2025 are subject to achieving both performance and market targets. Performance stock awards with performance periods ending from 2024 through 2025 do not include market targets. Other awards of restricted stock are only subject to time-based vesting requirements.

Performance Equity Plan

The PEP provides for the granting of non-qualified stock options, restricted stock rights, performance shares, performance units, and stock appreciation rights to officers, key employees, and non-employee members of the Board. Restricted stock under the PEP refers to awards of stock subject to vesting, performance, or market conditions rather than to shares with contractual post-vesting restrictions. Generally, the awards vest ratably over three years from the grant date of the award. However, awards with performance or market conditions vest upon satisfaction of those conditions. In addition, plan provisions provide that upon retirement, participants become 100% vested in certain stock awards. The vesting period for awards of restricted stock to non-employee

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members of the Board is one year. The total number of shares of TXNM common stock subject to all awards under the 2014 PEP, as approved by TXNM's shareholders in May 2014, may not exceed 13.5 million shares, subject to adjustment and certain share counting rules set forth in the PEP. This share pool is charged five shares for each share subject to restricted stock or other full value award. In May 2023, TXNM's shareholders approved the 2023 PEP which set the maximum number of shares subject to all awards to be 2.5 million shares. The 2023 PEP share pool is charged a single share for each award.

Source of Shares

The source of shares for exercised stock options and vested restricted stock is currently shares acquired on the open market by an independent agent, rather than newly issued shares.

Accounting for Stock Awards

The stock-based compensation expense related to restricted stock awards without performance or market conditions to participants that are retirement eligible on the grant date is recognized immediately at the grant date and is not amortized. Compensation expense for other such awards is amortized to compensation expense over the shorter of the requisite vesting period or the period until the participant becomes retirement eligible. Compensation expense for performance-based shares is recognized ratably over the performance period as required service is provided and is adjusted periodically to reflect the level of achievement expected to be attained. Compensation expense related to market-based shares is recognized ratably over the measurement period, regardless of the actual level of achievement, provided the employees meet their service requirements.

Total compensation expense for stock-based payment arrangements recognized by TXNM for the years ended December 31, 2024, 2023, and 2022 was \$9.5 million, \$7.2 million, and \$7.9 million. Stock compensation expense of \$5.0 million, \$4.8 million, and \$5.3 million was charged to PNM and \$2.7 million, \$2.4 million, and \$2.6 million was charged to TNMP. At December 31, 2024, TXNM had unrecognized compensation expense related to stock awards of \$5.0 million, which is expected to be recognized over an average of 2.26 years.

TXNM receives a tax deduction for the value of restricted stock at the vesting date. To the extent the tax deduction exceeds the Company's cumulative expense related to a stock award, an excess tax benefit is recorded. When the cumulative expense exceeds the tax deduction, a tax deficiency is recorded. All excess tax benefits and deficiencies are recorded to tax expense and classified as operating cash flows when used to reduce taxes payable.

Excess Tax Benefits (Deficiencies)	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
PNM	\$ 10	\$ 185	\$ (65)
TNMP	4	76	(26)
TXNM	17	261	(91)

TNMP used excess tax benefits to reduce income taxes payable and the benefit was reflected in cash flows from operating activities. The benefit of excess tax benefits at PNM and TXNM will be reflected in operating cash flows when they reduce income taxes payable.

The grant date fair value for restricted stock and stock awards with Company internal performance targets is determined based on the market price of TXNM common stock on the date of the agreements reduced by the present value of future dividends that will not be received prior to vesting. The grant date fair value is applied to the total number of shares that are anticipated to vest, although the number of performance shares that ultimately vest cannot be determined until after the performance periods end. The grant date fair value of stock awards with market targets is determined using Monte Carlo simulation models, which provide grant date fair values that include an expectation of the number of shares to vest at the end of the measurement period.

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The following table summarizes the weighted-average assumptions used to determine the awards grant date fair value:

Restricted Shares and Performance-Based Shares	Year Ended December 31,		
	2024	2023	2022
Expected quarterly dividends per share	\$ 0.3875	\$ 0.3675	\$ 0.3475
Risk-free interest rate	4.27 %	4.46 %	1.46 %
Market-Based Shares ⁽¹⁾			
Dividend yield	4.21 %	N/A	N/A
Expected volatility	13.09 %	N/A	N/A
Risk-free interest rate	4.31 %	N/A	N/A

⁽¹⁾ Restricted stock expected to be awarded under the PEP for performance periods ending in 2022 and 2023 do not have market targets.

The following table summarizes activity in restricted stock awards including performance-based and market-based shares:

	Restricted Stock	
	Shares	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2023	212,080	\$ 40.33
Granted	249,282	33.51
Released	(218,403)	38.37
Forfeited	(1,722)	43.80
Outstanding at December 31, 2024	241,237	\$ 37.05

Included as granted and released in the table above are 80,492 previously awarded shares that were earned for the 2021 - 2023 performance measurement period and ratified by the Board in February 2024 (based upon achieving targets at above "target", below "maximum" levels). Also included, as granted and released, are 8,791 of other RSAs for participants who retired and immediately vested plus a one-time sign-on RSA that immediately vested (discussed below). Excluded from the above table are 49,489 previously awarded shares that were earned for the 2022 - 2024 performance measurement period and ratified by the Board in February 2025 (based upon achieving targets at above "threshold", below "target" levels). Also excluded from the table above are 150,976 and 227,472 shares for the three-year performance periods ending in 2025 and 2026 that will be awarded if all performance criteria are achieved at maximum levels and all executives remain eligible.

On December 4, 2023, the Company entered into retention agreements with its Chairman and Chief Executive Officer and its Senior Vice President and General Counsel under which they would be awarded a total of 26,766 and 8,922 respectively of restricted stock rights if they remained employed through the award's vesting date which is the earliest of 24 months from the grant date, the closing of the Merger, or six months following the termination of the Merger. As of December 31, 2023, upon the notice from Avangrid regarding the termination of the Merger Agreement, these awards vested on June 30, 2024.

On December 4, 2023, the Company entered into a retention agreement with its President and Chief Operating Officer under which he would receive a retention bonus of \$1.0 million to be paid in increments beginning in December 2023 and continuing each December until 2025. On April 8, 2024, pursuant to the retention agreement, the Board elected to convert the unvested portion of the retention bonus of \$0.8 million into restricted stock rights whereby each share of restricted stock is equal to one share of Company common stock as of the first trading day after expiration of the then current black-out period. On May 3, 2024, subsequent to the expiration of the black-out period, 19,851 restricted stock rights were awarded and 6,617 have vested as of December 31, 2024, in accordance with the original terms of the retention agreement.

On September 16, 2024, in connection with a one-time sign-on equity grant, the Company's newly appointed General Counsel, Senior Vice President Regulatory and Public Policy, and Corporate Secretary was

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awarded 9,300 shares of restricted stock, of which 50% vested immediately and the remaining 50% will vest on the first anniversary of his start date, subject to continued employment through the vesting date.

The following table provides additional information concerning restricted stock activity, including performance-based and market-based shares:

Restricted Stock	Year Ended December 31,		
	2024	2023	2022
Weighted-average grant date fair value	\$ 38.37	\$ 41.98	\$ 41.04
Total fair value of restricted shares that vested (in thousands)	\$ 8,380	\$ 8,689	\$ 7,368

(13) Regulatory Assets and Liabilities

The operations of PNM and TNMP are regulated by the NMPRC, PUCT, and FERC and the provisions of GAAP for rate-regulated enterprises are applied to its regulated operations. Regulatory assets represent probable future recovery of previously incurred costs that will be collected from customers through the ratemaking process. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are to be credited to customers through the ratemaking process. Regulatory assets and liabilities reflected in the Consolidated Balance Sheets are presented below.

	PNM		TNMP	
	December 31,		December 31,	
	2024	2023	2024	2023
Assets:	(In thousands)			
Current:				
FPPAC	\$ 30,487	\$ 65,251	\$ —	\$ —
NMPRC Hedging Plan	5,737	—	—	—
Transmission cost recovery factor	—	—	5,268	—
Energy efficiency costs	—	—	—	50
Renewable energy rider	—	5,021	—	—
SJGS Energy Transition Property	—	2,724	—	—
	<u>36,224</u>	<u>72,996</u>	<u>5,268</u>	<u>50</u>
Non-Current:				
SJGS Energy Transition Property	\$ 336,079	\$ 340,629	\$ —	\$ —
SJGS ETA	24,996	—	—	—
SJGS - non-ETA	114,333	122,246	—	—
PVNGS leased interest	82,982	80,777	—	—
EIM	15,189	18,731	—	—
TEP	4,942	2,644	—	—
Loss on reacquired debt	12,507	13,806	23,721	25,019
Pension and OPEB	176,171	172,508	21,087	21,854
Deferred income taxes	74,925	71,359	8,570	8,882
Excess ADIT	—	—	6,542	—
AMS retirement and other costs	—	—	12,851	12,343
Deferred COVID-19 costs	3,328	5,664	—	—
Hurricane Beryl	—	—	20,958	—
Other	11,858	10,363	10,964	7,556
	<u>857,310</u>	<u>838,727</u>	<u>104,693</u>	<u>75,654</u>
Total regulatory assets	<u>\$ 893,534</u>	<u>\$ 911,723</u>	<u>\$ 109,961</u>	<u>\$ 75,704</u>

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	PNM		TNMP	
	December 31,		December 31,	
	2024	2023	2024	2023
Liabilities:	(In thousands)			
Current:				
SJGS rate refunds	\$ (157)	\$ (113,372)	\$ —	\$ —
PVNGS rate refunds	(19,194)	(19,194)	—	—
Renewable energy rider	(4,786)	—	—	—
Energy efficiency costs	(2,459)	(1,454)	(602)	—
Transmission Cost Recovery Factor	—	—	—	(5,159)
SJGS Energy Transition Property	(6,975)	—	—	—
NMPRC hedging plan	—	(826)	—	—
	<u>(33,571)</u>	<u>(134,846)</u>	<u>(602)</u>	<u>(5,159)</u>
Non-Current:				
Cost of removal	\$ (247,280)	\$ (247,627)	\$ (147,296)	\$ (117,759)
Deferred income taxes	(253,158)	(281,588)	(80,152)	(83,459)
Renewable energy tax benefits	(13,317)	(14,463)	—	—
PVNGS rate refunds	(3,277)	(19,194)	—	—
Pension and OPEB	—	—	(2,589)	(3,644)
COVID-19 cost savings	(469)	(900)	—	—
Other	(1,200)	(1,249)	—	(1,434)
	<u>(518,701)</u>	<u>(565,021)</u>	<u>(230,037)</u>	<u>(206,296)</u>
Total regulatory liabilities	<u>\$ (552,272)</u>	<u>\$ (699,867)</u>	<u>\$ (230,639)</u>	<u>\$ (211,455)</u>

The Company's regulatory assets and regulatory liabilities are reflected in rates charged to customers or have been addressed in a regulatory proceeding. The Company does not receive or pay a rate of return on the following regulatory assets and regulatory liabilities (and their remaining amortization periods): SJGS Energy Transition Property (over the life of the ETBC I Securitized Bonds); portions of PVNGS Leased Interest (through 2044); SJGS rate refunds (through 2024); PVNGS rate refunds (through 2025); deferred income taxes (over the remaining life of the taxable item, up to the remaining life of utility plant); pension and OPEB costs (through 2040).

The Company is permitted, under rate regulation, to accrue and record a regulatory liability for the estimated cost of removal and salvage associated with certain of its assets through depreciation expense. Actuarial losses and prior service costs for pension plans are required to be recorded in AOCI; however, to the extent authorized for recovery through the regulatory process these amounts are recorded as regulatory assets or liabilities. Based on prior regulatory approvals, the amortization of these amounts will be included in the Company's rates. Based on a current evaluation of the various factors and conditions that are expected to impact future cost recovery, the Company believes that future recovery of its regulatory assets is probable.

(14) Construction Program and Jointly-Owned Electric Generating Plants

PNM is a participant in jointly-owned power plant projects. The participation agreement for SJGS expired on September 30, 2022. The primary operating or participation agreements for the other joint projects expire in July 2041 for Four Corners, December 2046 for Luna, and November 2047 for PVNGS.

PNM's expenditures for additions to utility plant were \$682.4 million in 2024, including expenditures on jointly-owned projects. TNMP does not participate in the ownership or operation of any generating plants, but incurred expenditures for additions to utility plant of \$541.6 million during 2024. On a consolidated basis, TXNM's expenditures for additions to utility plant were \$1,247.0 million in 2024.

Joint Projects

Under the agreements for the jointly-owned projects, PNM has an undivided interest in each asset and liability of the project and records its pro-rata share of each item in the corresponding asset and liability account on PNM's Consolidated Balance Sheets. Likewise, PNM records its pro-rata share of each item of operating and

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maintenance expenses for its jointly-owned plants within the corresponding operating expense account in its Consolidated Statements of Earnings. PNM is responsible for financing its share of the capital and operating costs of the joint projects.

At December 31, 2024, PNM's interests and investments in jointly-owned generating facilities are:

Station (Type)	Plant in Service	Accumulated Depreciation (1)	Construction Work in Progress	Composite Interest
	(In thousands)			
PVNGS (Nuclear)	\$ 800,999	\$ 415,747	\$ 32,650	7.29 %
Four Corners Units 4 and 5 (Coal)	\$ 291,355	\$ 98,049	\$ 14,579	13.00 %
Luna (Gas)	\$ 99,479	\$ 37,448	\$ 2,658	33.33 %

(1) Includes cost of removal.

Palo Verde Nuclear Generating Station

PNM is a participant in the three units of PVNGS with APS (the operating agent), SRP, EPE, SCE, SCPPA, and The Department of Water and Power of the City of Los Angeles. PNM has ownership interests of 2.3% in Unit 1, 9.4% in Unit 2, and 10.2% in Unit 3. PNM previously had a 10.2% undivided interest in PVNGS, with portions of its interests in Units 1 and 2 held under leases. In January 2023, leased capacity of 104 MW in PVNGS Unit 1 expired and the rights to the capacity were acquired by SRP from the lessors subsequently, reducing PNM's interest in PVNGS to 7.6% at December 31, 2023. In January 2024, the leased capacity of 10 MW in PVNGS Unit 2 expired and the rights were also acquired by SRP, further reducing PNM's interest in PVNGS to 7.3%. See Note 8 for additional information concerning the PVNGS leases.

Four Corners Power Plant

PNM is a participant in two units of Four Corners with APS (the operating agent), an affiliate of APS, SRP, and Tucson. PNM has a 13.0% undivided interest in Units 4 and 5 of Four Corners. The Four Corners plant site is located on land within the Navajo Nation and is subject to an easement from the federal government. APS, on behalf of the Four Corners participants, negotiated amendments to an existing agreement with the Navajo Nation, which extends the owners' right to operate the plant on the site to July 2041. See Notes 16 and 17 for additional information about Four Corners.

Luna Energy Facility

Luna is a combined-cycle power plant near Deming, New Mexico. Luna is owned equally by PNM, Tucson, and Samchully Power & Utilities 1, LLC. The operation and maintenance of the facility has been contracted to North American Energy Services by PNM.

(15) Asset Retirement Obligations

AROs are recorded based on studies to estimate the amount and timing of future ARO expenditures and reflect underlying assumptions, such as discount rates, estimates of the future costs for decommissioning, and the timing of the removal activities to be performed. Approximately 75.7% of PNM's total ARO liabilities are related to nuclear decommissioning of PVNGS. PNM is responsible for all decommissioning obligations related to its entire interest in PVNGS, including portions both during and after termination of the leases. Studies of the decommissioning costs of PVNGS, SJGS, Four Corners, and other facilities are performed periodically and revisions to the ARO liabilities are recorded. Changes in the assumptions underlying the calculations may also require revisions to the estimated AROs when identified.

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A reconciliation of the ARO liabilities is as follows:

	TXNM	PNM (In thousands)	TNMP
Liability at December 31, 2021	\$ 234,146	\$ 233,383	\$ 763
Liabilities incurred	—	—	—
Liabilities settled	—	—	—
Accretion expense	10,767	10,702	65
Revisions to estimated cash flows ⁽¹⁾	(21,536)	(21,536)	—
Liability at December 31, 2022	<u>223,377</u>	<u>222,549</u>	<u>828</u>
Liabilities incurred	—	—	—
Liabilities settled	(3,482)	(3,482)	—
Accretion expense	10,218	10,148	70
Revisions to estimated cash flows ⁽²⁾	15,418	15,418	—
Liability at December 31, 2023	<u>245,531</u>	<u>244,633</u>	<u>898</u>
Liabilities incurred	—	—	—
Liabilities settled	(12,451)	(12,432)	(19)
Accretion expense	11,538	11,462	76
Revisions to estimated cash flows	—	—	—
Liability at December 31, 2024	<u>\$ 244,618</u>	<u>\$ 243,663</u>	<u>\$ 955</u>

⁽¹⁾ Reflects a decrease of \$21.5 million related to an updated SJGS decommissioning study.

⁽²⁾ Reflects an increase of \$15.4 million related to an updated PVNGS decommissioning study.

(16) Commitments and Contingencies

Overview

There are various claims and lawsuits pending against the Company. In addition, the Company is subject to federal, state, and local environmental laws and regulations and periodically participates in the investigation and remediation of various sites. In addition, the Company periodically enters into financial commitments in connection with its business operations. Also, the Company is involved in various legal and regulatory proceedings in the normal course of its business. See Note 17. It is not possible at this time for the Company to determine fully the effect of all litigation and other legal and regulatory proceedings on its financial position, results of operations, or cash flows.

With respect to some of the items listed below, the Company has determined that a loss is not probable or that, to the extent probable, cannot be reasonably estimated. In some cases, the Company is not able to predict with any degree of certainty the range of possible loss that could be incurred. The Company assesses legal and regulatory matters based on current information and makes judgments concerning their potential outcome, giving due consideration to the nature of the claim, the amount and nature of any damages sought, and the probability of success. Such judgments are made with the understanding that the outcome of any litigation, investigation, or other legal proceeding is inherently uncertain. The Company records liabilities for matters where it is probable a loss has been incurred and the amount of loss is reasonably estimatable. The actual outcomes of the items listed below could ultimately differ from the judgments made and the differences could be material. The Company cannot make any assurances that the amount of reserves or potential insurance coverage will be sufficient to cover the cash obligations that might be incurred as a result of litigation or regulatory proceedings. Except as otherwise disclosed, the Company does not expect that any known lawsuits, environmental costs, or commitments will have a material effect on its financial condition, results of operations, or cash flows.

Commitments and Contingencies Related to the Environment

PVNGS Decommissioning Funding

The costs of decommissioning a nuclear power plant are substantial. PNM is responsible for all decommissioning obligations related to its entire interest in PVNGS, including portions under leases both during

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and after termination of the leases. PNM has a program for funding its share of decommissioning costs for PVNGS, including portions previously held under leases. The nuclear decommissioning funding program is invested in equities and fixed income instruments in qualified and non-qualified trusts. PNM funded \$1.3 million for each of the years ended December 31, 2024, 2023 and 2022 into the qualified trust funds. The fair value of the trusts at December 31, 2024 and 2023 was \$384.6 and \$361.0 million.

Nuclear Spent Fuel and Waste Disposal

Nuclear power plant operators are required to enter into spent fuel disposal contracts with the DOE that require the DOE to accept and dispose of all spent nuclear fuel and other high-level radioactive wastes generated by domestic power reactors. Although the Nuclear Waste Policy Act required the DOE to develop a permanent repository for the storage and disposal of spent nuclear fuel by 1998, the DOE announced that it would not be able to open the repository by 1998 and sought to excuse its performance of these requirements. In November 1997, the DC Circuit issued a decision preventing the DOE from excusing its own delay but refused to order the DOE to begin accepting spent nuclear fuel. Based on this decision and the DOE's delay, a number of utilities, including APS (on behalf of itself and the other PVNGS owners, including PNM), filed damages actions against the DOE in the Court of Federal Claims. The lawsuits filed by APS alleged that damages were incurred due to DOE's continuing failure to remove spent nuclear fuel and high-level waste from PVNGS. APS and the DOE entered into a settlement agreement, subsequently extended, that established a process for the payment of claims for costs incurred through December 31, 2025. Under the settlement agreement, APS must submit claims annually for payment of allowable costs. PNM records estimated claims on a quarterly basis. The benefit from the claims is passed through to customers under the FPPAC.

PNM estimates that it will incur approximately \$55.6 million (in 2023 dollars) for its share of the costs related to the on-site interim storage of spent nuclear fuel at PVNGS for the remaining term of the operating licenses. PNM accrues these costs as a component of fuel expense as the nuclear fuel is consumed. At December 31, 2024 and 2023, PNM had a liability for interim storage costs of \$13.4 million and \$11.0 million, which is included in other deferred credits.

PVNGS has sufficient capacity at its on-site Independent Spent Fuel Storage Installation ("ISFSI") to store all of the nuclear fuel that will be irradiated during the initial operating license period, which ends in December 2027. Additionally, PVNGS has sufficient capacity at its on-site ISFSI to store a portion of the fuel that will be irradiated during the period of extended operation, which ends in November 2047. If uncertainties regarding the U.S. government's obligation to accept and store spent fuel are not favorably resolved, APS will evaluate alternative storage solutions that may obviate the need to expand the ISFSI to accommodate all of the fuel that will be irradiated during the period of extended operation.

The Energy Transition Act

The Energy Transition Act ("ETA") sets a statewide standard that requires investor-owned electric utilities to have specified percentages of their electric-generating portfolios be from renewable and zero-carbon generating resources. The ETA requires utilities operating in New Mexico to have renewable portfolios equal to 40% by 2025, 50% by 2030, 80% by 2040, and 100% zero-carbon energy by 2045. The ETA also allows for the recovery of undepreciated investments and decommissioning costs related to qualifying EGUs that the NMPRC has required be removed from retail jurisdictional rates, provided replacement resources to be included in retail rates have lower or zero-carbon emissions. The ETA requires the NMPRC to review and approve utilities' annual renewable portfolio plans to ensure compliance with the RPS. Also pursuant to the ETA, the New Mexico Environmental Improvement Board adopted standards of performance that limit CO₂ emissions to no more than 1,100 lbs. per MWh beginning January 1, 2023 for new and existing coal-fired EGUs with original installed capacities exceeding 300 MW.

The ETA provides for a transition from fossil-fuel generation resources to renewable and other carbon-free resources through certain provisions relating to the abandonment of coal-fired generating facilities. These provisions include the use of energy transition bonds, which are designed to be highly rated bonds that can be issued to finance certain costs of abandoning coal-fired facilities that are retired prior to January 1, 2023 for facilities operated by a "qualifying utility," or prior to January 1, 2022 for facilities that are not operated by a qualifying utility. The amount of energy transition bonds that can be issued to recover abandonment costs is limited to the lesser of \$375.0 million or 150% of the undepreciated investment of the facility as of the abandonment date. Proceeds provided by energy transition bonds must be used only for purposes related to

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providing utility service to customers and to pay energy transition costs (as defined by the ETA). These costs may include plant decommissioning and coal mine reclamation costs provided those costs have not previously been recovered from customers or disallowed by the NMPRC or by a court order. Proceeds from energy transition bonds may also be used to fund severances for employees of the retired facility and related coal mine and to promote economic development, education and job training in areas impacted by the retirement of the coal-fired facilities. Energy transition bonds must be issued under a NMPRC-approved financing order, are secured by "energy transition property," are non-recourse to the issuing utility, and are repaid by a non-bypassable charge paid by all customers of the issuing utility. These customer charges are subject to an adjustment mechanism designed to provide for timely and complete payment of principal and interest due under the energy transition bonds.

The ETA also provides that utilities must obtain NMPRC approval of competitively procured replacement resources that shall be evaluated based on their cost, economic development opportunity, ability to provide jobs with comparable pay and benefits to those lost upon retirement of the facility, and that do not exceed emissions thresholds specified in the ETA. In determining whether to approve replacement resources, the NMPRC must give preference to resources with the least environmental impacts, those with higher ratios of capital costs to fuel costs, and those located in the school district of the abandoned facility. The ETA also provides for the procurement of energy storage facilities and gives utilities discretion to maintain, control, and operate these systems to ensure reliable and efficient service.

The ETA has had and will have a significant impact on PNM's future generation portfolio, including PNM's retirement of SJGS in 2022. PNM cannot predict the full impact of the ETA with respect to Four Corners or the outcome of its future generating resource abandonment and replacement resource filings with the NMPRC. See additional discussion in Note 17 of PNM's SJGS and Four Corners Abandonment Applications.

The Clean Air Act

Regional Haze

Pursuant to the CAA, states are required to establish goals for improving visibility in national parks and wilderness areas (also known as Class I areas) and to develop long-term strategies for reducing emissions of air pollutants that cause visibility impairment in their own states and for preventing degradation in other states. States must establish a series of interim goals to ensure continued progress by adopting a new SIP every ten years. In the first SIP planning period, states were required to conduct BART determinations for certain covered facilities, including utility boilers, built between 1962 and 1977 that have the potential to emit more than 250 tons per year of visibility impairing pollution. For all future SIP planning periods, states must evaluate whether additional emissions reduction measures may be needed to continue making reasonable progress toward natural visibility conditions.

SIPs for the second planning period were due in July 2021, which deadline NMED was unable to meet. NMED is currently preparing its SIP for the second compliance period and has notified PNM that it will not be required to submit a regional haze four-factor analysis for SJGS since PNM retired its share of SJGS in 2022. On August 30, 2022, EPA published in the Federal Register an official "Finding of Failure to Submit" for states, including New Mexico, that have not yet submitted a round 2 regional haze SIP. This action by EPA started a 2-year clock for it to issue a Federal Implementation Plan ("FIP"), which deadline has now passed. NMED petitioned the NM Environmental Improvement Board to adopt a proposed SIP. The public hearing that was scheduled for December 18, 2024 was cancelled and a new hearing is scheduled for April 28 to April 30, 2025. PNM submitted comments on the proposed SIP in response to a request for comments by NMED.

Carbon Dioxide Emissions

In 2015, EPA established standards to limit CO₂ emissions from power plants, including (1) Carbon Pollution Standards for new, modified, and reconstructed power plants; and (2) the Clean Power Plan for existing power plants. Challengers successfully petitioned the US Supreme Court for a stay of the Clean Power Plan. In 2019, EPA repealed the Clean Power Plan, promulgated the ACE Rule, and revised the implementing regulations for all emission guidelines. The ACE Rule was also challenged, and on January 19, 2021, the DC Circuit issued an opinion in *American Lung Association and American Public Health Association v. EPA, et al.*, vacating the ACE Rule.

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Numerous parties sought review by the US Supreme Court, and on June 30, 2022, the Court held that the “generation shifting” approach in the Clean Power Plan exceeded the powers granted to EPA by Congress. Of broader significance in administrative law, the Court’s opinion expressly invoked the “major question” doctrine, which requires rules involving issues of “vast economic or political significance” to be supported by clear statutory authorization. In cases where there is no clear statement of authority, courts need not defer to the agency’s statutory interpretation on “major questions.” The decision sets legal precedent for future rulemakings by EPA and other federal regulatory agencies whereby the agencies’ authority may be limited based upon similar reasoning.

The litigation over the Carbon Pollution Standards remains held in abeyance but could be reactivated by the parties upon a determination by the court that reconsideration of the rule has concluded.

In 2024, EPA adopted regulatory actions under CAA sections 111(b) and (d) to replace the Clean Power Plan and the ACE Rule. The final rules include revised new source performance standards under Section 111(b) for all new natural gas-fired combustion turbines and emission guidelines under Section 111(d) requiring states to develop standards of performance for GHG emissions from existing fossil-fuel-fired electric steam generating units. In the final rules, EPA determined that the standards for existing coal- or gas-fired steam generating units must be based on the use of either CCS (long-term), natural gas co-firing (medium-term), or exempt from the rule via early retirement. The standards for new combustion turbines must be based on CCS (base load), efficient simple cycle design (intermediate load), or lower-emitting fuels (low load). Over a dozen states, several industry groups and some power companies and labor unions have filed challenges to the rule at the DC Circuit, which heard oral arguments on December 6, 2024. However, President Trump issued several executive orders on January 20, 2025, directing his administration to review all agency actions and suspend, revise, or rescind those identified as imposing an undue burden on domestic energy resources, which will likely include the rules for greenhouse gas emissions from new combustion turbines and existing steam generation units.

Because the CAA 111 rule does not contain provisions for existing natural gas units, on March 26, 2024, EPA announced it was opening a non-regulatory docket and issued framing questions to gather input about ways to design a stronger, more durable approach to GHG regulation of existing gas combustion turbines. The docket was open for public comment from March 26, 2024 to May 28, 2024 and the agency held a policy forum to bring stakeholders together to share ideas with EPA and others. Under the new Trump Administration, EPA is unlikely to propose a rule based on this non-regulatory docket.

In 2021, President Biden signed an extensive executive order aimed at addressing climate change concerns domestically and internationally. The order is intended to build on the initial climate-related actions the Biden Administration took on January 20, 2021. It addresses a wide range of issues, including establishing climate change concerns as an essential element of U.S. foreign and security policy, identifying a process to determine the U.S. INDC under the Paris Agreement, and establishing a Special Presidential Envoy for Climate that will sit on the National Security Council. On April 22, 2021, at the Earth Day Summit, as part of the U.S.’s re-entry into the Paris Agreement, President Biden unveiled the goal to cut U.S. emissions by 50% - 52% from 2005 levels by 2030, nearly double the GHG emissions reduction target set by the Obama Administration. The 2030 goal joins President Biden’s other climate goals which include a carbon pollution-free power sector by 2035 and a net-zero emissions economy by no later than 2050. In an executive order issued January 20, 2025, President Trump ordered his administration to withdraw the United States from Paris Agreement and from any agreement, pact, accord, or similar commitment made under the United Nations Framework Convention on Climate Change.

PNM’s review of the GHG emission reductions standards that have or may occur as a result of legislation or regulation is ongoing. We are currently determining what impact, if any, the final rules will have on PNM’s business, results of operations, and financial condition.

National Ambient Air Quality Standards (“NAAQS”)

The CAA requires EPA to set NAAQS for pollutants reasonably anticipated to endanger public health or welfare. EPA has set NAAQS for certain pollutants, including NO_x, SO₂, ozone, and particulate matter.

NO_x Standard – In 2018, EPA published the final rule to retain the current primary health-based NO_x standards of which NO₂ is the constituent of greatest concern and is the indicator for the primary NAAQS. EPA concluded that the current 1-hour and annual primary NO₂ standards are requisite to protect public health with an

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adequate margin of safety. The rule became effective on May 18, 2018. The State of New Mexico has attained the current NOx NAAQS standards.

SO₂ Standard – In 2019, EPA announced its final decision to retain, without changes, the primary health-based NAAQS for SO₂. Specifically, EPA retained the current 1-hour standard for SO₂, which is 75 parts per billion, based on the 3-year average of the 99th percentile of daily maximum 1-hour SO₂ concentrations. In 2021, EPA published in the Federal Register the initial air quality designations for all remaining areas not yet designated under the 2010 SO₂ Primary NAAQS. All areas of New Mexico have been designated attainment/unclassifiable through four rounds of designations by EPA.

Ozone Standard – In 2015, EPA finalized the new ozone NAAQS and lowered both the primary and secondary 8-hour standard from 75 to 70 parts per billion. With ozone standards becoming more stringent, fossil-fueled generation units will come under increasing pressure to reduce emissions of NOx and volatile organic compounds since these are the pollutants that form ground-level ozone. During 2017 and 2018, EPA released rules establishing area designations for ozone. In those rules, San Juan County, New Mexico, where Four Corners is located, is designated as attainment/unclassifiable and only a small area in Doña Ana County, New Mexico is designated as marginal non-attainment. Although Afton Generating Station is located in Doña Ana County, it is not located within the small area designated as non-attainment for the 2015 ozone standard. PNM does not believe there will be material impacts to its facilities because of the non-attainment designation of the small area within Doña Ana County. Until EPA approves attainment designations for the Navajo Nation and releases a proposal to implement the revised ozone NAAQS, PNM is unable to predict what impact the adoption of these standards may have on Four Corners. On July 13, 2020, EPA proposed to retain the existing ozone NAAQS based on a review of the full body of currently available scientific evidence and exposure/risk information, but on August 21, 2023, EPA announced an entirely new review of the ozone standard. PNM cannot predict the outcome of this matter.

In 2019, EPA issued findings that several states, including New Mexico, had failed to submit interstate transport SIPs for the 2015 8-hour ozone NAAQS, triggering an obligation for EPA to issue a federal implementation plan within two years. In response, NMED submitted a Good Neighbor SIP on July 27, 2021 that demonstrates that there are no significant contributions from New Mexico to downwind problems in meeting the federal ozone standard. On March 15, 2023, EPA Administrator Regan signed a final action imposing a FIP on multiple states but did not include a FIP for New Mexico because the most updated modeling available at the time of the proposal confirmed the state did not contribute to downwind ozone nonattainment or maintenance areas. However, the updated modeling EPA used in the final rule indicated that New Mexico may be significantly contributing to one or more non-attainment or maintenance areas. In light of that modeling result, on February 16, 2024, the EPA published a proposed rule partially disapproving the SIPs for New Mexico and four other states (Arizona, Iowa, Kansas, Tennessee) and expanding the Good Neighbor FIP to apply to these states. The FIP aspect of the proposed rule would have required fossil fuel-fired power plants in these five states to participate in an allowance-based ozone season NOx emissions trading program beginning in 2025, but the outgoing Biden Administration did not finalize the rule, and the new Trump administration is highly unlikely to finalize it.

PM Standard – In 2023, EPA published, in the Federal Register, a proposal to lower the annual fine PM standard to between 9-10 µg/m³ but retain the rest of its PM standards, including the current daily fine PM standard, the daily coarse PM standard, and the secondary PM standards. The final rule was published on March 6, 2024, lowering the primary annual PM 2.5 NAAQS to 9 µg/m³. The rule became effective May 6, 2024, and states will have until March 2032 to attain compliance with the new standard. During the multi-year implementation process, EPA will designate attainment/nonattainment areas by March 6, 2026, and states will submit a State Implementation Plan to EPA by September 6, 2027. This implementation process also applies to the Albuquerque-Bernalillo County Environmental Health Department who may combine efforts with NMED. Bernalillo County does not currently meet the 9 µg/m³ standard which may impact future air permitting activities at Rio Bravo and Reeves Generating Stations if the county is designated as nonattainment. However, even before any designations are made, the new standard is effective for conducting required modeling for permit applications and revisions. The lower standard is expected to result in new nonattainment areas throughout the country and could prompt additional PM control requirements, but PNM cannot predict the impacts of the outcome of future rulemaking.

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Cooling Water Intake Structures

In 2014, EPA issued a rule establishing national standards for certain cooling water intake structures at existing power plants and other facilities under the Clean Water Act to protect fish and other aquatic organisms by minimizing impingement mortality (the capture of aquatic wildlife on intake structures or against screens) and entrainment mortality (the capture of fish or shellfish in water flow entering and passing through intake structures).

To minimize impingement mortality, the rule provides operators of facilities, such as Four Corners, seven options for meeting Best Technology Available (“BTA”) standards for reducing impingement. The permitting authority must establish the BTA for entrainment on a site-specific basis, taking into consideration an array of factors, including endangered species and social costs and benefits. Affected sources must submit source water baseline characterization data to the permitting authority to assist in the BTA determination. Compliance deadlines under the rule are tied to permit renewal, including any subject to a schedule of compliance established by the permitting authority in the permit.

In 2018, several environmental groups sued EPA Region IX in the U.S. Court of Appeals for the Ninth Circuit over EPA’s failure to timely reissue the Four Corners NPDES permit. The petitioners asked the court to issue a *writ of mandamus* compelling EPA Region IX to take final action on the pending NPDES permit by a reasonable date. EPA subsequently reissued the NPDES permit. The permit did not contain conditions related to the cooling water intake structure rule, because EPA determined that the facility had achieved BTA for both impingement and entrainment by operating a closed-cycle recirculation system. Several environmental groups filed a petition for review with EPA’s Environmental Appeals Board (“EAB”) concerning the reissued permit. The environmental groups alleged that the permit was reissued in contravention of the Clean Water Act and did not contain limits or conditions required by EPA’s Effluent Limitations Guidelines (“ELG”) applicable to Four Corners or EPA’s cooling water intake structures rule, among others. EPA withdrew the Four Corners NPDES permit in order to examine the issues raised by the environmental groups and then issued an updated NPDES permit in 2019. The permit was once again appealed to the EAB and was stayed before the effective date, but the EAB issued an order denying the petition for review on September 30, 2020. Thereafter, the Regional Administrator of the EPA signed a notice of final permit decision, and the NPDES permit was issued on November 9, 2020. The permit became effective December 1, 2020. On January 22, 2021, the environmental groups filed a petition for review of the EAB’s decision with the U.S. Court of Appeals for the Ninth Circuit. The September 2019 permit remained in effect pending the outcome of this appeal. On March 21, 2022, EPA provided notice in the Federal Register of a proposed settlement agreement with the environmental groups. The parties subsequently executed the settlement agreement as of May 2, 2022. Under the settlement, the lawsuit was administratively closed through September 6, 2023, during which time a third-party consultant spent 12 months sampling discharges from Four Corners and EPA spent three months completing an analysis. On December 1, 2023, EPA issued a modification, effective December 31, 2023, to the NPDES permit that had been issued on November 9, 2020. The modification applies to permit elements related to effluent discharge. PNM cannot predict whether the analysis required to be performed by EPA under the settlement agreement will result in further changes to the NPDES permit but does not anticipate that it will have a material impact on PNM’s financial position, results of operations, or cash flows.

Effluent Limitation Guidelines

In 2013, EPA published proposed revised wastewater ELG establishing technology-based wastewater discharge limitations for fossil fuel-fired electric power plants. EPA signed the final Steam Electric ELG rule in 2015. The final rule, which became effective on January 4, 2016, phased in the new, more stringent requirements in the form of effluent limits for arsenic, mercury, selenium, and nitrogen for wastewater discharged from wet scrubber systems and zero discharge of pollutants in ash transport water that must be incorporated into plants’ NPDES permits. The 2015 rule required each plant to comply between 2018 and 2023 depending on when it needs a new or revised NPDES permit.

The Steam Electric ELG rule was challenged in the U.S. Court of Appeals for the Fifth Circuit by numerous parties. In 2017, EPA signed a notice indicating its intent to reconsider portions of the rule, and the Fifth Circuit issued an order severing the issues under reconsideration and holding the case in abeyance as to those issues. However, the court allowed challenges to other portions of the rule to proceed. In 2019, the Fifth Circuit granted those challenges and issued an opinion vacating several portions of the rule, specifically those related to legacy wastewater and leachate, for which the court deemed the standards selected by EPA arbitrary and capricious.

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In 2017, EPA published a final rule for postponement of certain compliance dates. The rule postponed the earliest date on which compliance with the ELG for these waste streams would be required from November 1, 2018 until November 1, 2020. In 2019, EPA published a proposed rule revising the original ELG while maintaining the compliance dates. In 2020, EPA published in the Federal Register the final Steam Electric ELG and Standards for the Steam Electric Power Generating Point Source Category, revising the final 2015 guidelines for both flue gas desulfurization wastewater and bottom ash transport water. The 2020 rule required compliance with new limits as soon as possible on or after October 13, 2021, but no later than December 31, 2025.

In 2021, EPA published notice that it would undertake a supplemental rulemaking to revise the ELG after completing its review of the rules reconsidered in 2020. As part of this process, EPA committed to determine whether more stringent limitations and standards would be appropriate. On March 29, 2023, EPA published the proposed ELG Rule in the Federal Register. The proposed rule included stricter limitations for wastewater discharges for coal-fired facilities, but allowed for flexibilities for those coal-powered facilities that would soon decommission or repower. With this proposed rule EPA extended the date of decommissioning or repowering from December 31, 2028, to December 31, 2032.

On May 9, 2024, EPA published a final rule to further revise the ELG. This final supplemental rule updated the technology-based limitations applicable to flue gas desulfurization wastewater, bottom ash transport water, and legacy wastewater at existing sources, as well as combustion residual leachate at new and existing sources. The 2024 rule was challenged in the U.S. Court of Appeals for the Eighth Circuit, but the court denied motions for stay, so the rule remains in effect.

Reeves Station discharges cooling tower blowdown to a publicly owned treatment plant and no longer holds an NPDES permit; therefore, it is expected that no ELG requirements will be imposed.

See "Cooling Water Intake Structures" above for additional discussion of Four Corners' current NPDES permit. Four Corners may be required to change equipment and operating practices affecting boilers and ash handling systems, as well as change its waste disposal techniques during the next NPDES permit renewal. PNM is unable to predict the outcome of these matters or a range of the potential costs of compliance.

Santa Fe Generating Station

PNM and NMED are parties to agreements under which PNM has installed a remediation system to treat water from a City of Santa Fe municipal supply well and an extraction well to address gasoline contamination in the groundwater at the site of PNM's former Santa Fe Generating Station and service center. A 2008 NMED site inspection report states that neither the source nor extent of contamination at the site has been determined and that the source may not be the former Santa Fe Generating Station. During 2013 and 2014, PNM and NMED collected additional samples that showed elevated concentrations of nitrate and volatile organic compounds in some of the monitoring wells at the site. In addition, one monitoring well contained free-phase hydrocarbon products. PNM collected a sample of the product for "fingerprint" analysis. The results of this analysis indicated the product was a mixture of older and newer fuels. The presence of newer fuels in the sample suggests the hydrocarbon product likely originated from off-site sources. In 2015, PNM and NMED entered into a memorandum of understanding to address changing groundwater conditions at the site under which PNM agreed to continue hydrocarbon investigation under the supervision of NMED. Qualified costs are eligible for payment through the New Mexico Corrective Action Fund ("CAF"), which is administered by the NMED Petroleum Storage Tank Bureau. In 2019, PNM received notice from NMED that an abatement plan for the site is required to address concentrations of previously identified compounds, unrelated to those discussed above, found in the groundwater. NMED approved PNM's abatement plan proposal, which covers field work and reporting.

Field work related to the investigation under both the CAF and abatement plan requirements was completed and activities and findings associated with the field work were presented in two separate reports and released to stakeholders in early 2020. Subsequent field work was completed in July 2020 and two reports were released supporting PNM's contention that off-site sources have impacted, and are continuing to impact, the local groundwater in the vicinity of the former Santa Fe Generating Station.

In 2021, NMED approved both the field work plans required for site characterization and associated work activities which were completed by the end of 2022 and a report was submitted to the NMED in 2023. Groundwater sampling for the abatement plan's first semiannual work was completed in 2023, and the associated report was completed and submitted to the NMED. In addition, the work plan for the 2023 CAF work was

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completed and submitted to the NMED in July 2023. NMED approved this work plan in December 2023. The activities from the work plan include the installation of three monitoring wells and additional rounds of groundwater sampling were completed in January 2025. Site wide sampling will take place in 2025, with reports provided to NMED.

The City of Santa Fe has stopped operating its well at the site, which is needed for PNM's groundwater remediation system to operate. As a result, PNM has stopped performing remediation activities at the site. However, PNM's monitoring and other abatement activities at the site are ongoing and will continue until the groundwater meets applicable federal and state standards or until the NMED determines remediation is not required, whichever is earlier. PNM is not able to assess the duration of this project or estimate the impact on its obligations if PNM is required to resume groundwater remediation activities at the site. PNM is unable to predict the outcome of these matters.

Coal Combustion Residuals Waste Disposal

CCRs consisting of fly ash, bottom ash, and gypsum generated from coal combustion and emission control equipment at SJGS have been disposed of in the surface mine pits adjacent to the plant. SJGS does not operate any onsite CCR impoundments or landfills. The NMMMD currently regulates mine reclamation activities at the San Juan mine, including placement of CCRs in the surface mine pits, with federal oversight by the OSM. APS disposes of CCRs in onsite ponds and dry storage areas at Four Corners. Ash management at Four Corners is regulated by EPA and the New Mexico State Engineer's Office.

EPA's 2015 coal ash rule included a non-hazardous waste determination for coal ash and sets minimum criteria for existing and new CCR landfills and surface impoundments. In 2016, the Water Infrastructure Improvements for the Nation Act (the "WIIN Act") was signed into law to address critical water infrastructure needs in the U.S. and contained a number of provisions related to CCRs. Among other things, the WIIN Act allowed, but did not require, states to develop and submit CCR permit programs for EPA approval, provided flexibility for states to incorporate EPA's 2015 rule for CCRs or develop other criteria that are at least as protective as EPA's rule, and required EPA to approve state permit programs within 180 days of submission by the state. Because states are not required to implement their own CCR permit programs, EPA was required to develop a federal permit program in states that chose not to implement a program, subject to congressional funding. Until state or federal permit programs are in effect, the 2015 rule continues to be self-implementing in nature, subject to enforcement by EPA or citizen groups. For facilities located within the boundaries of Native American reservations, such as the Navajo Nation where Four Corners is located, EPA is required to develop a federal permit program regardless of appropriated funds.

In 2018, EPA published a rule that constitutes "Phase One, Part One" of its ongoing reconsideration and revision of the 2015, CCR rule. The final Phase One, Part One rule extended the deadline to allow EGUs with unlined impoundments or that fail to meet the uppermost aquifer requirement to continue to receive coal ash until October 31, 2020, which was again extended by subsequent amendments. The rule also authorized a "Participating State Director" or EPA to approve suspension of groundwater monitoring requirements and to issue certifications related to the location restrictions, design criteria, groundwater monitoring, remedy selection and implementation. The rule also modified groundwater protection standards for certain constituents, which include cobalt, molybdenum, lithium, and lead without a maximum contamination level.

In 2019, EPA published a second round of proposed revisions, which are commonly referred to as the "Phase Two" revisions, to address reporting and accessibility to public information, "CCR piles" and "beneficial use" definitions, and the requirements for management of CCR piles. EPA reopened and extended the Phase Two comment period several times. To date, EPA has not yet finalized provisions in Phase Two related to beneficial use of CCR and CCR piles.

Since its Phase Two proposal, EPA has finalized two other rules addressing various CCR rule provisions. In 2020, EPA promulgated its proposed Holistic Approach to Closure Part A ("Part A"), which proposed a new deadline of August 31, 2020, for companies to initiate closure of unlined CCR impoundments. In accordance with the DC Circuit Court of Appeals' vacatur of portions of the 2015 CCR Rule, Part A also changed the classification of compacted soil-lined or clay-lined surface impoundments from "lined" to "unlined", triggering closure or retrofit requirements for those impoundments. In addition, Part A delineated a process for owners/operators to submit requests for alternative closure deadlines based on lack of alternate disposal capacity and gave operators of unlined impoundments until April 11, 2021 to cease receipt of waste at these units and initiate closure.

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EPA also issued the Holistic Approach to Closure Part B (“Part B”) in 2020, which delineated the process for owners/operators to submit alternate liner demonstrations for clay-lined surface impoundments that could otherwise meet applicable requirements. This rule did not include beneficial use of CCR for closure, which EPA explained would be addressed in subsequent rulemaking actions. On May 18, 2023, EPA published a proposed rule on the regulatory requirements for inactive surface impoundments at inactive facilities and a new category of regulated unit called a CCR management unit (“CCRMU”), including groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units (regardless of how or when that CCR was placed), and several technical corrections to the existing regulations. Comments on the proposed rule were due July 17, 2023.

On May 8, 2024, EPA published a final rule that extended federal CCR regulatory requirements to (1) inactive CCR surface impoundments at inactive utilities and (2) CCRMU (Legacy Rule), including CCR impoundments and landfills that closed prior to the effective date of the 2015 CCR rule, inactive CCR landfills, and other areas where CCR was managed directly on the land. The rule became effective on November 8, 2024. EPA included deferral options for smaller CCRMU containing between one and 1,000 tons of CCR, CCRMU located beneath critical infrastructure or large buildings or structures vital to the continuation of current site activities, and CCRMU that closed prior to the effective date of the new rule (subject to certain eligibility conditions). EPA also codified the controversial definitions of infiltration and liquids that were litigated in the DC Circuit. Six petitions for review of the Legacy Rule were filed and were consolidated into one case by the DC Circuit. The Utility Solid Waste Activities Group, of which TXNM Energy is a member, is a petitioner jointly with the National Rural Electric Cooperative Association, and American Public Power Association.

As of the effective date of the rule, one CCRMU was identified at SJGS. SJGS is required, at a minimum, to conduct a two-part evaluation of historic and current CCRMUs with reporting due dates of February 9, 2026, and February 8, 2027, with each report posted to a company website by the due date.

At this time, PNM is still evaluating the financial impacts of this final regulation for Four Corners. Initial CCRMU site surveys are expected to be completed by February 2026 with final site investigation reports expected to be finalized by February 2027. Based on the information available to the Company at this time, PNM cannot reasonably estimate the fair value of the entire CCRMU asset retirement obligation. PNM cannot predict the outcome of the CCRMU site evaluations and investigations, or how these outcomes might affect the associated costs, which might have a material impact on PNM’s operations, financial position, or cash flows.

In 2020, EPA published a proposed rule establishing a federal permitting program for the handling of CCR within the boundaries of Native American reservations and in states without their own federally authorized state programs. Permits for units within the boundaries of Native American reservations would be due 18 months after the effective date of the rule. EPA projected finalizing the rule in October 2024 but still has not submitted a final version to OMB. Given the change in Administration, it is not clear whether or when EPA will finalize the rule. EPA has coordinated with the affected permits for the three facilities with CCR disposal units located on Native American lands. PNM cannot predict the outcome of EPA’s rulemaking activity or the outcome of any related litigation, and whether or how such a ruling would affect operations at Four Corners.

EPA’s CCR rule does not cover mine placement of coal ash. In the preamble to its 2015 rule, EPA explained that the United States Office of Surface Mining Reclamation and Enforcement (“OSM”) and, as necessary, EPA would address the management of CCR in mine fills in a separate regulatory action, recognizing OSM’s expertise in this area. EPA’s decision to defer to OSM was based on a recommendation from the National Academy of Sciences (“NAS”), which was commissioned by Congress in 2006 to investigate the health, safety and environmental risks associated with the use of CCR for mine reclamation. The NRC report recommended that enforceable federal standards be established for the disposal of CCR in mine fills to ensure that states have specific authority and that states implement adequate safeguards. In 2007, OSM published an advance notice of proposed rulemaking on the placement of CCR at mine sites. In that notice, OSM explained its intent to develop the proposed regulations based on its existing authority under the Surface Mining Control and Reclamation Act (“SMCRA”). Since 2007, however, OSM has not taken any further action to advance this rulemaking. PNM cannot predict the outcome of OSM’s proposed rulemaking regarding CCR regulation, including mine placement of CCRs, or whether OSM’s actions will have a material impact on PNM’s operations, financial position, or cash flows.

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As noted above, SJGS does not operate any onsite CCR impoundments or landfills that are regulated under the 2015 CCR rule, and as of November 8, 2024, identified only one CCRMU that would be regulated under the Legacy Rule. That CCRMU has since been removed from that unit. PNM would seek recovery from its retail customers of all CCR costs for jurisdictional assets that are ultimately incurred.

Utilities that own or operate CCR disposal units, such as those at Four Corners, as indicated above, were required to collect sufficient groundwater sampling data to initiate a detection monitoring program. Four Corners completed the analysis for its CCR disposal units, which identified several units that needed corrective action or needed to cease operations and initiate closure by April 11, 2021. Work is ongoing. Four Corners continues to gather additional groundwater data and perform remedial evaluations and activities. At this time, PNM does not anticipate its share of the cost to complete these corrective actions to close the CCR disposal units, or to gather and perform remedial evaluations on groundwater at Four Corners, will have a significant impact on its operations, financial position, or cash flows.

Other Commitments and Contingencies

Coal Supply

Four Corners

APS purchases all of Four Corners' coal requirements from NTEC, an entity owned by the Navajo Nation, under the Four Corners CSA that expires in 2031. The coal comes from reserves located within the Navajo Nation. The contract provides for pricing adjustments over its term based on economic indices and certain minimum payments that may be required if no deliveries of coal are taken. As of December 31, 2024 those minimum payments were \$42.5 million for 2025, \$85.9 million for 2026 and 2027, \$89.8 million for 2028 and 2029, and \$71.0 million for 2030 and thereafter. PNM's share of the coal costs is being recovered through the FPPAC.

Coal Mine Reclamation

As indicated under Coal Combustion Residuals Waste Disposal above, SJGS disposed of CCRs in the surface mine pits adjacent to the plant and Four Corners disposes of CCRs in ponds and dry storage areas.

Under the terms of the SJGS CSA, PNM and the other SJGS owners are obligated to compensate WSJ LLC for all reclamation costs associated with the supply of coal from the San Juan mine. PNM and Westmoreland have entered into an agreement under which mine reclamation services for SJGS would be provided. A mine reclamation cost study was completed in the first quarter of 2024 and PNM remeasured its liability, which resulted in an increase in overall reclamation costs of \$20.9 million, due primarily to higher inflationary factors. As a result, PNM recorded the increase in the liability related to the underground mine of \$17.0 million as a regulatory asset on the Consolidated Balance Sheets. Due to the NMPRC cap on the amount that can be collected from retail customers for final reclamation of the surface mines at \$100.0 million, PNM was required to record \$4.0 million of the increase related to the surface mine liability plus an additional \$0.5 million, related to other costs, as a regulatory disallowance on the Consolidated Statements of Earnings for the year ended December 31, 2024. In the third quarter of 2024, PNM and Westmoreland amended the mine reclamation services agreement to update the base rates for the costs of reclamation activities, which resulted in an increase in overall reclamation costs of \$12.1 million. As a result, PNM recorded the increase in the liability related to the underground mine of \$6.0 million as regulatory assets on the Consolidated Balance Sheets and the increase of \$6.1 million related to the surface mine as a regulatory disallowance on the Consolidated Statements of Earnings for the year ended December 31, 2024.

PNM's estimate of the costs necessary to reclaim the mine that serves SJGS is subject to many assumptions, including the timing of reclamation, generally accepted practices at the time reclamation activities occur, and current inflation and discount rates. PNM cannot predict the ultimate cost to reclaim the mine that serves SJGS and would seek to recover all costs related to reclaiming the underground mine from its customers but could be exposed to additional loss related to surface mine reclamation. In connection with certain mining permits relating to the operation of the San Juan mine, Westmoreland was required to post reclamation bonds of \$118.7 million with the NMMMD. In order to facilitate the posting of reclamation bonds by sureties on behalf of Westmoreland, TXNM entered into the WFB LOC Facility under which letters of credit aggregating \$30.3 million have been issued.

A coal mine reclamation study for the surface mine that serves Four Corners was issued in December

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2024. The study reflected operation of the mine through 2031, the term of the Four Corners CSA. PNM remeasured its liability, which resulted in a decrease in overall reclamation costs of \$1.6 million, due primarily to lower overhead costs, contractor management costs, and tax and royalties. Due to the NMPRC cap on the amount that can be collected from retail customers for final reclamation of the surface mines at \$100.0 million, PNM recorded the decrease related to the surface mine liability as a regulatory disallowance on the Consolidated Statements of Earnings for the year ended December 31, 2024.

Based on the most recent estimates, PNM's remaining payments for mine reclamation, in future dollars, are estimated to be \$51.1 million for the surface mines at both SJGS and Four Corners and \$62.7 million for the underground mine at SJGS as of December 31, 2024. At December 31, 2024 and 2023, liabilities, in current dollars, of \$38.3 million and \$50.0 million for surface mine reclamation and \$52.9 million and \$26.2 million for underground mine reclamation were recorded in other deferred credits.

The SJGS owners are parties to a reclamation trust funds agreement to provide financial assurance for post-term coal mine reclamation obligations. The trust funds agreement requires each owner to enter into an individual trust agreement with a financial institution as trustee, create an irrevocable reclamation trust, and meet year-end funding targets set by funding curves that are approved by the SJGS ownership. PNM began using its mine reclamation trust to pay for final mine reclamation costs in April 2023. Because the trust agreement requires meeting specific funding targets at year end, it may be necessary for PNM to make additional contributions to meet those targets. PNM funded \$27.3 million in 2024, \$2.7 million in 2023, and \$10.0 million in 2022. Based on PNM's reclamation trust fund balance at December 31, 2024 and current funding curve targets, PNM anticipates contributing \$1.0 million in 2025 and \$0.6 million in 2026.

Under the Four Corners CSA, PNM is required to fund its share of estimated final reclamation costs in annual installments into an irrevocable escrow account solely dedicated to the final reclamation cost of the surface mine at Four Corners. PNM contributed \$3.2 million in 2024, \$0.2 million in 2023, and \$2.4 million in 2022 and anticipates providing additional funding of \$0.5 million in 2025 and \$0.5 million in 2026.

PNM recovers from retail customers reclamation costs associated with the underground mine. However, the NMPRC capped the amount collected from retail customers for final reclamation of the surface mines at \$100.0 million for both SJGS and Four Corners. If future estimates increase the liability for surface mine reclamation, the excess would be expensed at that time. The impacts of changes in New Mexico state law as a result of the enactment of the ETA and regulatory determinations made by the NMPRC may also affect PNM's financial position, results of operations, and cash flows. See additional discussion regarding PNM's SJGS and Four Corners Abandonment Applications in Note 17. PNM is currently unable to determine the outcome of these matters or the range of possible impacts.

SJGS Decommissioning

On November 9, 2021, the San Juan County Commission approved the Coal-Fired Electricity Generating Facility Demolition and Remediation Ordinance ("Ordinance 121"), requiring the full demolition of SJGS upon its complete and permanent closure. Ordinance 121 required the SJGS owners to submit a proposed demolition and remediation plan no later than three months after SJGS was retired. The SJGS owners submitted the decommissioning and remediation plan on December 28, 2022. In connection with restructuring of the SJGS ownership on December 31, 2017, PNM and the other SJGS owners entered into the San Juan Decommissioning and Trust Funds Agreement, which requires PNM to fund its ownership share of final decommissioning costs into an irrevocable trust. Under the agreement, PNM made an initial funding of \$14.7 million in December 2022 and made additional contributions of \$7.0 million in 2024. The amount and timing of additional trust funding is subject to revised decommissioning cost studies and agreement among the SJGS owners. PNM began using its decommissioning trust to pay for demolition and decommissioning costs in October 2023. PNM has posted a surety bond in the amount of \$46.0 million in connection with certain environmental decommissioning obligations and must maintain the bond or other financial assurance until those obligations are satisfied. The surety bond only represents a liability if the SJGS owners fail to deliver on its contractual liability.

PNM records its share of the SJGS decommissioning obligation as an ARO on its Consolidated Balance Sheets. Studies on the decommissioning costs of SJGS are performed periodically and revisions to the ARO liability are recorded. In the third quarter of 2022, a new decommissioning cost study was completed, which required PNM to remeasure its SJGS decommissioning ARO. The new study resulted in an estimated decrease to PNM's share of the decommissioning obligation of \$21.1 million, which was recorded in September 2022.

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PVNGS Liability and Insurance Matters

Public liability for incidents at nuclear power plants is governed by the Price-Anderson Nuclear Industries Indemnity Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both commercial sources and an industry-wide retrospective payment plan. The insurance limit is subject to an adjustment every five years based upon the aggregate percentage change in the CPI. The most recent adjustment took effect on January 1, 2024. As of that date, in accordance with this act, the PVNGS participants are insured against public liability exposure for a nuclear incident up to \$16.3 billion per occurrence. PVNGS maintains the maximum available nuclear liability insurance in the amount of \$500 million, which is provided by American Nuclear Insurers. The remaining \$15.8 billion is provided through a mandatory industry-wide retrospective assessment program. If losses at any nuclear power plant covered by the program exceed the accumulated funds, PNM could be assessed retrospective premium adjustments. The maximum retrospective premium per reactor under the program for each nuclear liability incident is \$165.9 million, subject to a maximum annual premium of \$24.7 million per incident. Based on PNM's ownership interest in the three units, PNM's maximum retrospective premium per incident for all three units is \$36.3 million, with a maximum annual payment limitation of \$5.4 million, to be adjusted periodically for inflation.

The PVNGS participants maintain insurance for damage to, and decontamination of, property at PVNGS in the aggregate amount of \$2.8 billion, a substantial portion of which must first be applied to stabilization and decontamination. These coverages are provided by Nuclear Electric Insurance Limited ("NEIL"). The primary policy offered by NEIL contains a sublimit of \$2.25 billion for non-nuclear property damage. If NEIL's losses in any policy year exceed accumulated funds, PNM is subject to retrospective premium adjustments of \$5.1 million. The insurance coverages discussed in this, and the previous paragraph are subject to certain policy conditions, sublimits, and exclusions.

(17) Regulatory and Rate Matters

The Company is involved in various regulatory matters, some of which contain contingencies that are subject to the same uncertainties as those described in Note 16.

PNM

New Mexico General Rate Case

2025 Rate Request

On June 14, 2024, PNM filed an application with the NMPRC for a general increase in retail electric rates. The proposed base rate changes would be implemented in two phases, with the first phase effective July 1, 2025 and the second phase effective January 1, 2026. Key aspects of PNM's request include:

- Recovery on total rate base of \$3.0 billion, based on a FTY with the 12 months ending June 30, 2026
- An increase of \$174.3 million in retail revenues, comprised of a \$92.2 million increase in base rates and a \$82.1 million increase in revenues collected under PNM's FPPAC
- Drivers of revenue deficiency:
 - Needed investments across distribution, transmission, and generation facilities to ensure safe, reliable delivery of electricity
 - Increased operations and maintenance expenses to meet operational needs, including wildfire risk mitigation
 - Costs associated with ESAs, previously approved by the NMPRC, necessary to serve our customers
 - ROE of 10.45%
 - Proposed capital structure of 52.5% equity
 - An increased cost of borrowing
 - Adjustments to Four Corners depreciation rates to recover remaining plant investments through July 2031, the expected abandonment date of the facility
- Proposed ratemaking treatment of ESAs to be recovered through PNM's FPPAC beginning July 1, 2025

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On November 26, 2024, PNM filed an unopposed comprehensive stipulation with the NMPRC. Key components agreed upon by the signatories are as follows:

- Overall revenue requirement increase of \$105.0 million with the first phase effective July 1, 2025 and the second phase effective April 1, 2026
- ROE of 9.45%
- Capital structure of 51.0% equity
- Maintain currently approved depreciation rates for Four Corners as established in PNM's 2024 Rate Change and PNM's NM 2015 Rate Case
- Modification of PNM's current amortization period through December 31, 2028 on the unprotected Excess Deferred Federal Income Taxes ("EDFIT") regulatory liability to reflect amortization of remaining unprotected EDFIT through December 31, 2027
- Costs associated with ESAs shall be recovered through base rates
 - PNM will establish a regulatory asset or regulatory liability for the difference in actual ESA costs compared to the forecasted \$82.1 million included in base rates in the test period and thereafter until new rates are effective from PNM's next general rate case filing. The regulatory asset or regulatory liability will be subject to NMPRC approval in PNM's next rate case
- PNM will establish a regulatory liability associated with investment tax credits for the Sandia energy storage system as proposed in its application
- PNM will establish a regulatory liability equal to the return on legacy meters currently included in rates, as the legacy meters are retired during PNM's deployment of its grid modernization plan approved in PNM's Grid Modernization Application

A hearing was held on February 17 and 18, 2025. PNM cannot predict the outcome of this matter.

2024 Rate Change

On December 5, 2022, PNM filed an application with the NMPRC for a general increase in retail electric rates including recovery on total rate base of \$2.7 billion based on a calendar year 2024 FTY, an increase of \$63.8 million in retail non-fuel revenues, and an ROE 10.25%. The application also proposed ratemaking treatment of PVNGS Leased Interest and testimony supporting the prudence of PNM's decisions to renew the five leases and repurchase 64.1 MW of PVNGS Unit 2 capacity.

On January 3, 2024, the NMPRC issued a final order authorizing PNM to implement an increase in non-fuel base rates of \$15.3 million, effective for service beginning January 15, 2024. Major components of the difference compared to PNM's application include:

- A ROE of 9.26%.
- A capital structure of 49.61% equity, 50.10% debt, and 0.29% preferred stock.
- Finding of imprudence regarding PNM's decision to remain in Four Corners and a remedy for the imprudence resulting in a disallowance of \$81.0 million to PNM's total Four Corners net book value.
- Approval of \$51.3 million of PNM's requested \$96.3 million regulatory asset for PVNGS undepreciated investments, but disallowance of a return on the remaining \$45.0 million or any CWIP associated with it.
- Requiring that the \$38.4 million regulatory liability associated with leased capacity at PVNGS after the Unit 1 lease expired on January 15, 2023, be returned to ratepayers over two years through a separate rate rider.
- The approval of new depreciation rates, reflecting shorter useful lives, of PNM's gas plants with service lives and depreciable lives extending beyond January 1, 2045, which would include PNM's La Luz and Luna generating stations.
- The approval of PNM's TOD pilot program, with a requirement to make annual compliance filings and to adjust certain rate schedules.

As a result of the NMPRC final order in the 2024 Rate Change, during the year ended December 31, 2023, PNM recorded a regulatory disallowance of \$55.5 million on the Consolidated Statement of Earnings and a corresponding reduction to Utility Plant, after accounting for previous impairments, to reflect the remedy adopted in the Final Order for Four Corners. In addition, PNM recorded a reduction to electric operating revenues of

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\$38.4 million with a corresponding current regulatory liability of \$19.2 million and a deferred regulatory liability of \$19.2 million for the PVNGS rate refunds that will be returned to customers over a two-year period. PNM also recorded a regulatory disallowance of \$8.2 million on the Consolidated Statement of Earnings and a corresponding reduction to Utility Plant for the disallowance of CWIP from PVNGS.

In March 2024, notice of appeals were separately filed with the NM Supreme Court by NEE and PNM, and a joint notice of appeal was filed by the NM Department of Justice, Bernalillo County, and ABCWUA. NEE's appeal was subsequently consolidated with the joint notice of appeal. In the statements of issues submitted in the parties' appellate dockets, PNM took issue with the NMPRC's ruling on capital structure; other appellants primarily challenged the NMPRC rulings related to Four Corners and Palo Verde cost recovery. PNM cannot predict the outcome of this matter.

Renewable Energy Portfolio Standard

As discussed in Note 16, the ETA amends the REA including removal of diversity requirements and certain customer caps and exemptions relating to the application of the RPS under the REA. The REA provides for streamlined proceedings for approval of utilities' renewable energy procurement plans, assures that utilities recover costs incurred consistent with approved procurement plans, and requires the NMPRC to establish a Reasonable Cost Threshold ("RCT") for the procurement of renewable resources to prevent excessive costs being added to rates. The ETA sets a RCT of \$60 per MWh, adjusted for inflation, using an average annual levelized resource cost basis. PNM makes renewable procurements consistent with the NMPRC approved plans and recovers certain renewable procurement costs from customers through the renewable energy rider billed on a KWh basis.

Included in PNM's approved procurement plans are the following renewable energy resources:

- 158 MW of PNM-owned solar-PV facilities
- A PPA through 2044 for the output of New Mexico Wind, having a current aggregate capacity of 200 MW, and a PPA through 2035 for the output of Red Mesa Wind, having an aggregate capacity of 102 MW
- A PPA through 2040 for 140 MW of output from La Joya Wind II
- A PPA through 2042 for the output of the Lightning Dock Geothermal facility with a capacity of 11 MW
- Solar distributed generation, aggregating 308.5 MW at December 31, 2024, owned by customers or third parties from whom PNM purchases any net excess output and RECs

The NMPRC has authorized PNM to recover certain renewable procurement costs through a rate rider billed on a per KWh basis. In its 2024 renewable energy procurement plan, which became effective on January 1, 2024, PNM proposed to collect \$59.0 million for the year. On June 3, 2024, PNM filed its renewable energy procurement plan for 2025 which proposes to collect \$58.7 million for the year. PNM did not propose any new resource procurements, and the plan states that existing projects are anticipated to exceed the applicable RPS standards of 2025, despite the standard doubling. On September 11, 2024, a public hearing was held and on October 11, 2024, the hearing examiners issued a RD recommending approval of all PNM's requests. On November 14, 2024, the NMPRC issued an order adopting the recommended decision. The 2025 renewable energy procurement plan became effective on January 1, 2025.

The following sets forth PNM's revenues recorded for the renewable energy rider:

<u>Year Ended</u>	<u>Annual Revenues</u>
	(In millions)
2022	\$60.3
2023	56.9
2024	52.0

Under the renewable rider, if PNM's earned rate of return on jurisdictional equity in a calendar year, adjusted for items not representative of normal operations, exceeds the NMPRC-approved rate by 0.5%, PNM is required to refund the excess to customers during May through December of the following year. PNM does not expect to exceed the limitation in 2024.

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Energy Efficiency and Load Management

Program Costs and Incentives/Disincentives

The New Mexico EUEA requires public utilities to achieve specified levels of energy savings and to obtain NMPRC approval to implement energy efficiency and load management programs. The EUEA requires the NMPRC to remove utility disincentives to implementing energy efficiency and load management programs and to provide incentives for such programs. The NMPRC has adopted a rule to implement this act. PNM's costs to implement approved programs and incentives are recovered through a rate rider. During the 2019 New Mexico legislative session, the EUEA was amended to, among other things, include a decoupling mechanism for disincentives, preclude a reduction to a utility's ROE based on approval of disincentive or incentive mechanisms, establish energy savings targets for the period 2021 through 2025, and require that annual program funding be 3% to 5% of an electric utility's annual customer bills excluding gross receipt taxes, franchise and right-of-way access fees, provided that a customer's annual cost does not exceed seventy-five thousand dollars.

In 2020, PNM received approval for energy efficiency and load management programs to be offered in 2021, 2022, and 2023. The program portfolio consisted of twelve programs with a total annual budget of \$31.4 million in 2021, \$31.0 million in 2022, and \$29.6 million in 2023. The program included an annual base incentive of 7.1% of the portfolio budget if PNM were to achieve energy savings of at least 80 GWh in a year. The incentive increases if PNM is able to achieve savings greater than 94 GWh in a year.

In 2023, PNM filed an application for energy efficiency and load management programs to be offered in 2024, 2025, and 2026 (the "2024 Plan"). The 2024 Plan proposed to continue ten existing energy efficiency programs with modification and a total annual budget of \$34.5 million in 2024, \$35.4 million in 2025, and \$36.5 million in 2026. The application also sought approval of an annual base incentive of 7.1% of the portfolio budget and a sliding scale that provides additional incentive for additional energy saved as a percentage of program cost, up to the maximum allowed by the energy efficiency rule which for PNM is 8.82%. On January 26, 2024, the hearing examiners in the case issued a RD. The RD largely approved PNM's 2024 Plan but with modifications that include the pursuit of demand response resources, additional analysis in future filings, adjustments to certain energy efficiency programs, and modification of the incentive sliding scale cap to reflect a new maximum. On March 7, 2024, the NMPRC approved the RD in its entirety.

2020 Decoupling Petition

As discussed above, the legislature amended the EUEA to, among other things, include a decoupling mechanism for disincentives. On May 28, 2020, PNM filed a petition for approval of a rate adjustment mechanism that would decouple the rates of its residential and small power rate classes. Decoupling is a rate design principle that severs the link between the recovery of fixed costs of the utility through volumetric charges. On July 13, 2020, NEE, ABCWUA, the City of Albuquerque, and Bernalillo County filed motions to dismiss the petition on the grounds that approving PNM's proposed rate adjustment mechanism outside of a general rate case would result in retroactive ratemaking and piecemeal ratemaking. The motions to dismiss also alleged that PNM's proposed rate adjustment mechanism is inconsistent with the EUEA. On October 2, 2020, PNM requested an order to vacate the public hearing, scheduled to begin October 13, 2020, and staying the proceeding until the NMPRC decides whether to entertain a petition to issue a declaratory order resolving the issues raised in the motions to dismiss. On October 7, 2020, the hearing examiner approved PNM's request to stay the proceeding and vacate the public hearing and required PNM to file a petition for declaratory order by October 30, 2020. On October 30, 2020, PNM filed a petition for declaratory order asking the NMPRC to issue an order finding that full revenue decoupling is authorized by the EUEA. On November 4, 2020, ABCWUA and Bernalillo County jointly filed a competing petition asking the NMPRC to issue a declaratory order on the EUEA's requirements related to disincentives. On March 17, 2021, the NMPRC issued an order granting the petitions for declaratory order, commencing a declaratory order proceeding to address the petitions and appointing a hearing examiner to preside over the declaratory order proceeding.

On January 14, 2022, the hearing examiner issued a RD recommending the NMPRC find that the EUEA does not mandate the NMPRC to authorize or approve a full decoupling mechanism, defining full decoupling as limited to energy efficiency and load management measures and programs. The RD also states that a utility may request approval of a rate adjustment mechanism to remove regulatory disincentives to energy efficiency and load

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management measures and programs through a stand-alone petition, as part of the utility's triennial energy efficiency application or a general rate case and that PNM is not otherwise precluded from petitioning for a rate adjustment mechanism prior to its next general rate case. Finally, the RD stated that the EUEA does not permit the NMPRC to reduce a utility's ROE based on approval of a disincentive removal mechanism founded on removing regulatory disincentives to energy efficiency and load management measures and programs. The RD does not specifically prohibit a downward adjustment to a utility's capital structure, based on approval of a disincentive removal mechanism. On April 27, 2022, the NMPRC issued an order adopting the RD in its entirety. On May 24, 2022, PNM filed a notice of appeal with the NM Supreme Court. The NM Supreme Court held oral arguments on November 13, 2023. On May 13, 2024, the NM Supreme Court issued a decision finding that the EUEA allows a utility to propose full decoupling mechanisms. The NM Supreme Court did not address the second issue regarding a downward adjustment to a utility's capital structure based on approval of disincentive removal mechanism. No declaratory order was issued by the NMPRC. This matter is now concluded.

Integrated Resource Plans

NMPRC rules require that investor-owned utilities file an IRP every three years. The IRP is required to cover a 20-year planning period and contain an action plan covering the first three years of that period. On September 14, 2022, the NMPRC adopted revisions to the IRP Rule. The new rule revamps and modernizes the planning process to accommodate increased stakeholder involvement. The IRP Rule establishes a collaborative facilitated process for a utility and stakeholders to agree on a statement of need for potential new or additional resources, as well as an action plan to guide procurement or development of resources to meet the stated need. A most-cost-effective portfolio of resources shall be derived from the statement of need analysis. The statement of need and action plan must be accepted before the utility begins the resource solicitation process pursuant to the IRP Rule. Following acceptance of the statement of need and action plan, a utility will provide the NMPRC and intervenors drafts of the RFP and a timeline for issuing, receiving, evaluating, and ranking bids. The NMPRC will then appoint an Independent Monitor ("IM") to oversee the RFP process, which allows for parties and the IM to comment on the RFP consistency with the IRP, after which the utility issues the RFP. Within 120 days of receiving bids the utility shall provide the IM with results including pricing and non-price evaluation criteria, ranking of bids, chosen portfolio and alternatives that also meet the needs; the IM then rules on the fairness of the RFP execution. Acceptance of the statement of need and action plan will not constitute a finding of prudence or pre-approval of costs associated with the additional resources. Following the RFP and IM processes, the utility may apply for approvals, and any costs incurred to implement the action plan will be considered in a general rate case and/or resource acquisition proceeding. On October 14, 2022, PNM and other investor-owned utilities filed motions for rehearing with the NMPRC. On October 26, 2022, the NMPRC issued an order partially granting and partially denying certain aspects of PNM's and the other investor-owned utilities' motions for rehearing. On November 2, 2022, the NMPRC adopted an amended IRP Rule. On December 2, 2022, PNM filed an appeal with the NM Supreme Court. Two other investor-owned utilities also separately filed appeals at the NM Supreme Court. On January 3, 2023, PNM and the two other investor-owned utilities filed statements of issues with the NM Supreme Court. Among other things, the investor-owned utilities question whether the IRP Rule exceeds the NMPRC authority by imposing unauthorized requirements on utilities and extending NMPRC jurisdiction through over-broad interpretation of the statutes and state that the IRP Rule is contrary to law in its provisions for NMPRC regulation of a utility's resource procurement decision-making. On June 5, 2023, PNM and the other two investor-owned utilities filed their Joint Brief in Chief and request for oral arguments at the NM Supreme Court. The NM Supreme Court held oral arguments on May 13, 2024. On December 6, 2024, the NM Supreme Court issued a decision finding that the amended regulations do not exceed the statutory scope of the EUEA.

2023 IRP

On December 15, 2023, PNM filed its 2023 IRP with a continued focus on a carbon-free energy system by 2040. The plan highlights the need for the significant sustained addition of resources over the next two decades, replacing retiring or expiring capacity, meeting concurrent load growth, while reducing the carbon intensity of PNM's portfolio. On April 4, 2024, the NMPRC accepted PNM's 2023 IRP.

On December 30, 2024, PNM issued its 2029-2032 RFP for at least 900 MW of new energy resources to come online between 2029 and 2032, with at least 500 MW needed by 2030. The RFP is consistent with the needs identified in PNM's 2023 IRP, which identified a range of 900 to 2,900 MW of new capacity needed by 2032, depending on the type of resources selected. The 2029-2032 RFP is anticipated to identify potential

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replacement resources for PNM's current natural gas generation capacity as well as PNM's ownership interest in Four Corners.

Abandonment Applications made under the ETA

As discussed in Note 16, the ETA provides for a transition from fossil-fueled generating resources to renewable and carbon-free resources by allowing utilities to issue energy transition bonds related to the retirement of certain coal-fired generating facilities, to qualified investors.

SJGS Abandonment Application

In 2019, PNM filed a Consolidated Application for the Abandonment and Replacement of SJGS and Related Securitized Financing Pursuant to the ETA. In 2023, PNM, along with intervening parties reached a unanimous settlement which was approved by the NMPRC. As a result, PNM recorded a \$128.7 million reduction to electric operating revenues in the Consolidated Statement of Earnings and a corresponding current regulatory liability on the Consolidated Balance Sheets as of and for the year ended December 31, 2023. In addition, PNM recorded a regulatory disallowance of \$3.3 million on the Consolidated Statement of Earnings and a corresponding decrease to deferred regulatory assets on the Consolidated Balance Sheets as of and for the year ended December 31, 2023, to reflect PNM's agreement to withdraw its request for regulatory assets associated with prefunding of ETA state administered funds and legal costs associated with this matter.

Four Corners Abandonment Application

In 2020, PNM entered into the Four Corners Purchase and Sale Agreement with NTEC, pursuant to which PNM agreed to sell its 13% ownership interest (other than certain transmission assets) in Four Corners to NTEC, contingent upon NMPRC approval. In connection with the sale, PNM would make payments of \$75.0 million to NTEC for relief from its obligations under the coal supply agreement for Four Corners after December 31, 2024. PNM made an initial payment to NTEC of \$15.0 million in November 2020, subject to refund with interest upon termination of the Four Corners Purchase and Sale Agreement prior to closing. Under the terms of the Four Corners Purchase and Sale Agreement, upon receipt of the NMPRC approval, PNM was expected to make a final payment of \$60.0 million.

On January 8, 2021, PNM filed the Four Corners Abandonment Application, which sought NMPRC approval to exit PNM's share of Four Corners as of December 31, 2024, and issuance of approximately \$300 million of Securitized Bonds as provided by the ETA. On December 15, 2021, the NMPRC issued a final order denying approval of the Four Corners Abandonment Application and the corresponding request for issuance of securitized financing. On December 22, 2021, PNM filed a Notice of Appeal with the NM Supreme Court of the NMPRC decision to deny the application and on July 6, 2023, the NM Supreme Court affirmed the NMPRC decision concluding that the NMPRC reasonably and lawfully denied PNM's application for abandonment. As a result of the NM Supreme Court's decision to uphold the NMPRC's denial, the Consolidated Statements of Earnings for the year ended December 31, 2023 reflect a regulatory disallowance of \$3.7 million. On April 23, 2024, PNM filed an interim notice informing the NMPRC that PNM's updated analysis indicates it is in the interest of customers for PNM to remain as a participant in Four Corners until the expiration of the current coal supply agreement in 2031. In August 2024, PNM and NTEC terminated the Four Corners Purchase and Sale Agreement and executed an agreement for the reimbursement of PNM's initial \$15.0 million payment with interest, which was paid in 2024.

2026 Resource Application

On October 25, 2023, PNM filed an application with the NMPRC seeking approval of resources to be available for the 2026 summer peak. The application included a request for approval of a 100 MW solar PPA and three ESAs of 100 MW, 100 MW, and 50 MW. In addition, PNM was seeking approval of a CCN for a 60 MW battery to be owned by PNM. The resources were deemed necessary for PNM to safely and reliably meet its projected system load. A hearing was held on March 20 and 21, 2024. On May 3, 2024, the hearing examiner in the case issued a RD approving PNM's requested resources. On May 30, 2024, the NMPRC approved the RD in its entirety. On July 9, 2024, a group of New Mexico legislators filed a petition with the NM Supreme Court requesting the court grant their motion for rehearing, which was denied on September 3, 2024. This matter is now concluded.

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2028 Resource Application

On November 22, 2024, PNM filed an application with the NMPRC seeking approval of ESAs, a PPA, and a CCN for system resources in 2028 to be available to meet summer 2028 customer needs. PNM is requesting approval of:

- Two 150 MW ESAs
- A 167 MW PPA for the Valencia power plant through 2039
- A CCN for a 100 MW solar facility and a 30 MW battery to be PNM-owned and located in San Juan County. The request provides the opportunity to increase the 30 MW battery by an additional 20 MW

A hearing will be held beginning April 2, 2025, if needed.

Grid Modernization Plan

On October 3, 2022, in compliance with New Mexico Grid Modernization Statute, PNM filed its Grid Modernization Application with the NMPRC. The projects included in the Grid Modernization Application improve customers' ability to customize their use of energy and ensure that customers, including low-income customers, are a top priority and will benefit consistent with the Grid Modernization Statute. PNM's proposal to modernize its electricity grid through infrastructure and technology improvements also increases the efficiency, reliability, resilience, and security of PNM's electric system. PNM's application seeks approval of grid modernization investments of approximately \$344 million for the first six years of a broader 11-year strategy. The proposed Grid Modernization Rider would recover capital costs, operating expenses, and taxes associated with the investments included in the Grid Modernization Application. PNM also requested authorization to create related regulatory assets and liabilities, permitting PNM to record costs incurred for the development and implementation of PNM's plan between the requested approval of the application on July 1, 2023, and the implementation of the Grid Modernization Rider by September 1, 2023; undepreciated investments associated with legacy meters being replaced with AMI meters; and over- or under-collection of costs through the Grid Modernization Rider. In addition, PNM requested approval of the proposed format of an Opt-Out Consent Form and proposed opt-out fees, which includes a one-time fee and a monthly fee. Following a hearing and subsequent briefs, on May 31, 2023, the NMPRC issued an order requiring the hearing examiner to direct PNM to file a cost benefit analysis as a supplement to the application. On November 22, 2023, PNM filed the required cost benefit analysis supporting PNM's proposed Grid Modernization plan. A hearing was held in April 2024 and post-hearing briefs and response briefs were filed in June 2024. On August 16, 2024, the hearing examiner in the case issued a RD. The RD largely approved PNM's application with minor modifications, including limiting to a return of its undepreciated costs of legacy meters and conditioned approval upon PNM accelerating the deployment schedule following a final order. On October 17, 2024, the NMPRC issued a final order adopting the RD but removed the accelerated deployment schedule.

The Community Solar Act

In 2021, the Community Solar Act established a program that allows for the development of community solar facilities and provides customers of a qualifying utility with the option of subscribing to community solar facilities, and in exchange would receive a bill credit from their utility, while the utility received energy from the community solar facility. The NMPRC was charged with administering the Community Solar Act program, establishing a total maximum capacity of 200 MW community solar facilities and allocating proportionally to the New Mexico electric investor-owned utilities and participating cooperatives, of which PNM was allocated 125 MW. On October 3, 2024, the NMPRC issued an order raising the total maximum capacity of community solar facilities by 300 MW, of which PNM was allocated 185 MW.

In 2022, PNM filed its initial Community Solar tariff and subsequently filed an updated Community Solar tariff under protest and filed a motion for clarification, suspension, and timely hearing on PNM's Community Solar tariff. In 2023, the NMPRC suspended PNM's Community Solar tariff and issued an order opening a new docket for two-phase proceedings. The first phase addressed issues concerning the proposed subscriber organization agreements and the proposed customer data forms. The second phase addressed all issues concerning proposed tariffs, agreements and forms that were not addressed in the first phase. In 2023, the NMPRC issued

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an order approving an uncontested stipulation on the first phase and PNM's advice notice conforming to the stipulation became effective. A hearing for the second phase was held from January 17 through January 19, 2024. On August 30, 2024, the hearing examiner issued a RD, that recommended rejecting PNM's proposed community solar rider and required PNM to refile the rider, approval of an accounting order to track certain costs in a regulatory asset and included recommendations for various issues to be handled in a future rulemaking. On November 26, 2024, the NMPRC issued an order rejecting substantially all tariffs, agreements and forms, requiring PNM to file new proposed tariffs, in addition to adopting a majority of other components proposed in the RD. PNM filed revised tariffs on February 21, 2025. PNM cannot predict the outcome of the pending matters.

FERC Compliance

PNM conducted a comprehensive internal review of its filings with FERC regarding the potential timely filing of certain agreements that contained deviations from PNM's standard form of service agreement in its OATT and assessing any applicable FERC waivers or refund requirements. Upon completion of the comprehensive review, PNM identified service agreements containing provisions that do not conform to the standard form of agreement on file with FERC. On March 18 and March 21, 2022, PNM filed applications with FERC requesting acceptance of certain agreements as well as rejection of other service agreements and further requesting that FERC not assess time-value refunds on the accepted agreements. On May 17, 2022, FERC issued two delegated letter orders accepting the service agreements and requiring PNM to pay the time-value refunds on the revenues it received on unaffiliated, late-filed, service agreements which contained language alleged to be non-conforming.

On November 21, 2022, FERC issued an order on rehearing that required PNM to pay its customers approximately \$8.1 million in time-value refunds. On November 28, 2022, PNM filed an unopposed motion for voluntary dismissal with the United States Court of Appeals for the District of Columbia of its petitions for review, which was granted on December 22, 2022. In the fourth quarter of 2022, PNM made payments totaling \$8.1 million to customers which were recorded as a reduction to electric operating revenues on the Consolidated Statements of Earnings. This matter is now concluded.

FERC Order 864

In November 2019, FERC issued Order No. 864, which required public utility transmission providers with transmission formula rates to revise those rates to account for changes resulting from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"). PNM had already made revisions to its formula rate to account for Tax Act changes, and, as a result of the Order, PNM proposed additional changes to its formula rate to implement the remaining requirements of the Order. In July 2022, FERC issued an order finding that PNM had predominantly complied with the requirements but set aside certain matters for settlement and hearing procedures.

On November 22, 2023, PNM, on behalf of the settling parties, filed a settlement agreement with FERC resolving all issues. As a result of the settlement agreement, PNM recorded a decrease of \$3.2 million to electric operating revenues and an increase to interest charges of \$0.3 million on the Consolidated Statement of Earnings and an increase to other current liabilities of \$3.5 million on the Consolidated Balance Sheets as of and for the year ended December 31, 2023. This matter is now concluded.

Transportation and Electrification Program (TEP)

On June 1, 2023, PNM filed its 2024-2026 TEP with the NMPRC, requesting approval of a \$37.1 million total three-year budget and continuation of the current TEP Rider. Approximately 22% of the budget, \$8.0 million, will be dedicated to low-income customers. On February 2, 2024, the hearing examiners in the case issued a RD largely approving PNM's 2024 Plan but with modifications to certain TEP programs. On February 23, 2024, the NMPRC approved the RD with additional modifications that reduced the three-year budget by \$4.0 million, for a total revised budget of \$32.9 million. The TEP rider became effective on April 26, 2024.

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TNMP

Energy Efficiency

TNMP recovers the costs of its energy efficiency programs through an energy efficiency cost recovery factor (“EECRF”), which includes projected program costs, under or over collected costs from prior years, rate case expenses, and performance bonuses (if the programs exceed mandated savings goals).

The following sets forth TNMP’s EECRF increases:

Effective Date	Aggregate Collection Amount	Performance Bonus
	(In millions)	
March 1, 2022	\$ 7.2	\$ 2.3
March 1, 2023	7.3	1.9
March 1, 2024	6.6	1.2

On May 31, 2024, TNMP filed its request to adjust the EECRF to reflect changes in costs for 2025. On October 24, 2024, the PUCT approved the total amount requested, authorizing recovery of \$7.0 million, including a performance bonus of \$1.3 million based on TNMP’s energy efficiency achievements in the 2023 plan year.

Transmission Cost of Service Rates

TNMP can update its TCOS rates twice per year to reflect changes in its invested capital although updates are not allowed while a general rate case is in process. Updated rates reflect the addition and retirement of transmission facilities, including appropriate depreciation, federal income tax and other associated taxes, and the approved rate of return on such facilities. The following sets forth TNMP’s recent interim transmission cost rate increases:

Effective Date	Approved Increase in Rate Base	Annual Increase in Revenue
	(In millions)	
March 25, 2022	\$ 95.6	\$ 14.2
September 22, 2022	36.0	5.3
May 12, 2023	150.5	19.4
September 6, 2023	21.4	4.2
March 15, 2024	97.4	13.1
September 20, 2024	20.6	3.9

On January 24, 2025, TNMP filed an application to further update its transmission rates, which would increase revenues by \$11.5 million annually, based on an increase in rate base of \$83.5 million. The application is pending before the PUCT.

Periodic Distribution Rate Adjustment

PUCT rules permit interim rate adjustments to reflect changes in investments in distribution assets. Historically, distribution utilities have been restricted to a single, annual periodic rate adjustment through a DCRF submitted between April 1 and April 8 of each year as long as the electric utility was not earning more than its authorized rate of return using weather-normalized data. However, the recent passage of Senate Bill 1015 now permits DCRF proceedings to be filed twice per year with a 60-day administrative deadline that can be extended for 15 days on good cause. Additionally, a DCRF may be filed during a pending rate case proceeding as long as that DCRF request is not filed until the 185th day after the rate case proceeding was initiated.

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The following sets forth TNMP's recent interim distribution rate increases:

Effective Date	Approved Increase in Rate Base	Annual Increase in Revenue
(In millions)		
September 1, 2022	\$ 95.7	\$ 6.8
September 1, 2023	157.0	14.5
July 28, 2024	205.9	15.6
November 17, 2024	43.7	7.7

3G Meters Notice of Violation

In 2020, the PUCT established the COVID-19 Electricity Relief Program for electric utilities, REPs, and customers impacted by COVID-19. The program allowed providers to implement a rider to collect unpaid residential retail customer bills and to establish a regulatory asset for costs related to COVID-19. These costs included but were not limited to costs related to unpaid accounts.

In December 2023, TNMP and the PUCT reached a settlement agreement related to a notice of violation against TNMP primarily for estimating 3G meters during the period that TNMP was remediating the meters. TNMP maintained that the remediation efforts were impacted by supply chain and labor availability issues resulting from COVID-19. Pursuant to the settlement agreement, TNMP agreed to no longer pursue the recovery of COVID-19 related costs that were recorded as a regulatory asset. This resulted in a regulatory disallowance of \$1.2 million recorded for the year ended December 31, 2023.

Hurricane Beryl

On July 8, 2024, Hurricane Beryl made landfall in the Texas Gulf Coast leaving approximately 116,000 customers in the TNMP service area without power. As of December 31, 2024, TNMP incurred \$53.1 million of costs, of which \$32.1 million has been recorded in Utility Plant and \$21.0 million has been recorded as a regulatory asset. TNMP will continue to track storm-related restoration costs to seek collection of such costs in a future regulatory proceeding.

System Resiliency Plan ("SRP")

In 2023, the Texas Legislature enacted House Bill No, 2555 ("HB 2555"), permitting an electric utility to seek approval of, and cost recovery for, a system resiliency plan. On August 28, 2024, TNMP filed its first SRP with the PUCT designed to benefit customers through enhanced resiliency of its distribution system, as intended under HB 2555. The SRP includes approximately \$600 million of capital investments and approximately \$151 million of other related costs over three years and was developed using a comprehensive and data-driven approach which evaluated various types of resiliency events posing material risk to the safe and reliable operation of TNMP's distribution system. TNMP's service territory includes non-contiguous areas across different regions of Texas, ranging from small communities and rural areas to communities around large metropolitan areas, each with unique risks. Investments in the SRP are prioritized based on customer benefit, physical protection of infrastructure, foundational investments in operational and cybersecurity technologies, and wildfire risk reduction and are focused on lower-performing areas in the context of reliability. Eight different resiliency measures are outlined in the SRP with associated programs and infrastructure impacts to improve the system's ability to prevent, withstand, mitigate and/or more promptly recover from resiliency events: distribution system resiliency, distribution system protection modernization, vegetation management, wildfire mitigation, flood mitigation, enhanced operations system technology, cybersecurity, and physical security resiliency. The SRP is subject to PUCT approval over 180 days as stated in Texas legislation. Recovery of investments and costs are permissible primarily through semi-annual DCRF filings, with deferral of depreciation and other certain expenses until recovery begins.

On December 11, 2024, TNMP filed an unopposed settlement with the PUCT. The settlement includes \$565.8 million of capital investments over 2025 through 2027, reflecting 94% of TNMP's proposed plan

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investments. The settlement also encompasses \$128.2 million of operations and maintenance expenses associated with several programs, including vegetation management and wildfire mitigation.

(18) Income Taxes

Federal Income Tax Reform

In 2017, comprehensive changes in U.S. federal income taxes were enacted through legislation commonly known as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act made many significant modifications to the tax laws, including reducing the federal corporate income tax rate from 35% to 21% effective January 1, 2018. The Tax Act also eliminated federal bonus depreciation for utilities, limited interest deductibility for non-utility businesses and limited the deductibility of officer compensation. During 2020, the IRS issued final regulations related to certain officer compensation and, in January 2021, issued final regulations on interest deductibility that provide a 10% "de minimis" exception that allows entities with predominantly regulated activities to fully deduct interest expenses.

As a result of the change in the federal income tax rate, the Company re-measured and adjusted its deferred tax assets and liabilities as of December 31, 2017. The portion of that adjustment not related to PNM's and TNMP's regulated activities was recorded as a reduction in net deferred tax assets and an increase in income tax expense. The portion related to PNM's and TNMP's regulated activities was recorded as a reduction in net deferred tax liabilities and an increase in regulatory liabilities.

Beginning February 2018, PNM's NM 2016 Rate Case reflected the reduction in the federal and state corporate income tax rates, including amortization of excess deferred federal and state income taxes. In accordance with the order in that case and amortization requirements of the tax laws, PNM is returning the protected portion of excess deferred federal income taxes to customers over the average remaining life of plant in service as of December 31, 2017. The remaining balance of the unprotected portion of excess deferred federal income taxes, which was being returned to customers over a period of approximately twenty-three years, will be returned over a five-year period when new rates go into effect from the 2024 Rate Change. Excess deferred state income taxes were returned to customers over a three-year period, which concluded in the first quarter of 2021. The approved settlement in the TNMP 2018 Rate Case includes a reduction in customer rates to reflect the impacts of the Tax Act beginning on January 1, 2019. TXNM, PNM, and TNMP amortized federal excess deferred income taxes of \$23.4 million, \$20.8 million, and \$2.6 million in 2024.

TXNM

TXNM's income taxes (benefits) consist of the following components:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Current federal income tax	\$ —	\$ —	\$ —
Current state income tax (benefit)	(1,984)	(2,841)	1,597
Deferred federal income tax (benefit)	13,042	(11,503)	18,413
Deferred state income tax (benefit)	10,630	(825)	7,302
Amortization of accumulated investment tax credits	(170)	(1,181)	(1,182)
Total income taxes (benefits)	<u>\$ 21,518</u>	<u>\$ (16,350)</u>	<u>\$ 26,130</u>

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TXNM's provision for income taxes (benefits) differed from the federal income tax computed at the statutory rate for each of the years shown. The differences are attributable to the following factors:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Federal income tax at statutory rates	\$ 58,850	\$ 19,011	\$ 44,375
Amortization of accumulated investment tax credits	(170)	(1,181)	(1,182)
Amortization of excess deferred income tax	(23,362)	(22,859)	(23,599)
Flow-through of depreciation items	1,003	1,281	2,795
(Earnings) attributable to non-controlling interest in Valencia	(3,368)	(3,892)	(3,176)
State income tax (benefit), net of federal (benefit)	6,284	(2,239)	6,826
Allowance for equity funds used during construction	(3,756)	(3,145)	(2,898)
Allocation of tax (benefit) related to stock compensation awards	(17)	(261)	91
Non-deductible compensation	1,332	1,659	1,125
Non-deductible merger related costs	—	(1,959)	74
Sale of NMRD	(15,822)	—	—
R&D credit	(1,500)	(2,050)	(1,320)
Other	2,044	(715)	3,019
Total income taxes (benefits)	<u>\$ 21,518</u>	<u>\$ (16,350)</u>	<u>\$ 26,130</u>
Effective tax rate	7.68 %	(18.06)%	12.37 %

The components of TXNM's net accumulated deferred income tax liability were:

	December 31,	
	2024	2023
	(In thousands)	
Deferred tax assets:		
Net operating loss	\$ 31,592	\$ 16,833
Regulatory liabilities related to income taxes	82,702	90,461
Federal tax credit carryforwards	126,770	124,510
Regulatory disallowances	42,330	42,330
Regulatory liability SJGS retirement credits	40	28,797
Other	52,955	35,492
Total deferred tax assets	<u>336,389</u>	<u>338,423</u>
Deferred tax liabilities:		
Depreciation and plant related	(794,203)	(738,078)
Investment tax credit	(81,068)	(95,046)
Regulatory assets related to income taxes	(84,053)	(80,643)
Pension	(41,383)	(41,141)
Regulatory asset for shutdown of SJGS Units 2 and 3	(20,860)	(22,454)
Regulatory asset SJGS energy transition property	(85,365)	(86,521)
Regulatory asset PVNGS investment	(21,044)	(20,503)
PVNGS trusts	(48,421)	(41,767)
Other	(59,384)	(57,550)
Total deferred tax liabilities	<u>(1,235,781)</u>	<u>(1,183,703)</u>
Net accumulated deferred income tax liabilities	<u>\$ (899,392)</u>	<u>\$ (845,280)</u>

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The following table reconciles the change in TXNM's net accumulated deferred income tax liability to the deferred income tax (benefit) included in the Consolidated Statement of Earnings:

	Year Ended December 31, 2024
	(In thousands)
Net change in deferred income tax liability per above table	\$ 54,112
Change in tax effects of income tax related regulatory assets and liabilities	(11,629)
Amortization of excess deferred income tax	(23,362)
Tax effect of mark-to-market adjustments	4,802
Tax effect of excess pension liability	(421)
Adjustment for uncertain income tax positions	(135)
Reclassification of unrecognized tax benefits	135
Other	—
Deferred income tax (benefit)	<u>\$ 23,502</u>

PNM

PNM's income taxes (benefits) consist of the following components:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Current federal income tax (benefit)	\$ (7,005)	\$ 9,518	\$ (13,533)
Current state income tax (benefit)	(5,681)	(4,304)	3,244
Deferred federal income tax (benefit)	28,183	(22,951)	25,298
Deferred state income tax	13,890	1,150	4,361
Amortization of accumulated investment tax credits	(170)	(171)	(172)
Total income taxes (benefits)	<u>\$ 29,217</u>	<u>\$ (16,758)</u>	<u>\$ 19,198</u>

PNM's provision for income taxes (benefits) differed from the federal income tax computed at the statutory rate for each of the years shown. The differences are attributable to the following factors:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Federal income tax at statutory rates	\$ 49,868	\$ 7,972	\$ 29,026
Amortization of accumulated investment tax credits	(170)	(171)	(172)
Amortization of excess deferred income tax	(20,750)	(14,252)	(14,421)
Flow-through of depreciation items	796	1,114	2,641
(Earnings) attributable to non-controlling interest in Valencia	(3,368)	(3,892)	(3,176)
State income tax (benefit), net of federal (benefit)	6,594	(2,216)	5,694
Allowance for equity funds used during construction	(2,739)	(2,065)	(1,958)
Allocation of tax (benefit) related to stock compensation awards	(10)	(185)	65
Non-deductible compensation	822	1,015	701
Non-deductible merger costs	—	(33)	10
R&D credit	(1,450)	(2,000)	(1,300)
Other	(376)	(2,045)	2,088
Total income taxes (benefits)	<u>\$ 29,217</u>	<u>\$ (16,758)</u>	<u>\$ 19,198</u>
Effective tax rate	12.30 %	(44.15)%	13.89 %

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The components of PNM's net accumulated deferred income tax liability were:

	December 31,	
	2024	2023
	(In thousands)	
Deferred tax assets:		
Net operating loss	\$ —	\$ —
Regulatory liabilities related to income taxes	64,481	71,546
Federal tax credit carryforwards	93,481	80,586
Regulatory disallowance	42,330	42,330
Regulatory liability SJGS retirement credits	40	28,797
Other	35,650	35,993
Total deferred tax assets	235,982	259,252
Deferred tax liabilities:		
Depreciation and plant related	(582,089)	(545,815)
Investment tax credit	(81,068)	(73,844)
Regulatory assets related to income taxes	(75,464)	(71,742)
Pension	(36,678)	(36,483)
Regulatory asset for shutdown of SJGS Units 2 and 3	(20,860)	(22,454)
Regulatory asset SJGS energy transition property	(85,365)	(86,521)
Regulatory asset PVNGS investment	(21,044)	(20,503)
PVNGS Trusts	(48,421)	(41,767)
Other	(41,211)	(44,160)
Total deferred tax liabilities	(992,200)	(943,289)
Net accumulated deferred income tax liabilities	\$ (756,218)	\$ (684,037)

The following table reconciles the change in PNM's net accumulated deferred income tax liability to the deferred income tax (benefit) included in the Consolidated Statement of Earnings:

	Year Ended December 31, 2024
	(In thousands)
Net change in deferred income tax liability per above table	\$ 72,181
Change in tax effects of income tax related regulatory assets and liabilities	(11,246)
Amortization of excess deferred income tax	(20,750)
Tax effect of mark-to-market adjustments	3,554
Tax effect of excess pension liability	(421)
Adjustment for uncertain income tax positions	(161)
Reclassification of unrecognized tax benefits	(1,254)
Deferred income tax (benefit)	\$ 41,903

TNMP

TNMP's income taxes consist of the following components:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Current federal income tax	\$ (2,549)	\$ 11,354	\$ 17,055
Current state income tax	3,300	3,055	2,662
Deferred federal income tax (benefit)	26,363	2,917	(4,527)
Deferred state income tax (benefit)	—	(29)	(29)
Total income taxes	\$ 27,114	\$ 17,297	\$ 15,161

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TNMP's provision for income taxes differed from the federal income tax computed at the statutory rate for each of the periods shown. The differences are attributable to the following factors:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Federal income tax at statutory rates	\$ 27,435	\$ 23,569	\$ 22,560
Amortization of excess deferred income tax	(2,612)	(8,607)	(9,177)
State income tax, net of federal (benefit)	2,606	2,414	2,103
Allocation of tax (benefit) related to stock compensation awards	(4)	(77)	26
Non-deductible compensation	509	642	422
Transaction costs	—	3	1
Other	(820)	(647)	(774)
Total income taxes	\$ 27,114	\$ 17,297	\$ 15,161
Effective tax rate	20.75 %	15.41 %	14.11 %

The components of TNMP's net accumulated deferred income tax liability were:

	December 31,	
	2024	2023
	(In thousands)	
Deferred tax assets:		
Regulatory liabilities related to income taxes	\$ 18,221	\$ 18,915
Other	4,522	5,534
Total deferred tax assets	22,743	24,449
Deferred tax liabilities:		
Depreciation and plant related	(200,709)	(179,483)
Regulatory assets related to income taxes	(8,589)	(8,901)
Loss on reacquired debt	(4,981)	(5,254)
Pension	(4,706)	(4,659)
AMS	(2,709)	(2,613)
Other	(9,156)	(2,287)
Total deferred tax liabilities	(230,850)	(203,197)
Net accumulated deferred income tax liabilities	\$ (208,107)	\$ (178,748)

The following table reconciles the change in TNMP's net accumulated deferred income tax liability to the deferred income tax included in the Consolidated Statement of Earnings:

	Year Ended
	December 31,
	2024
	(In thousands)
Net change in deferred income tax liability per above table	\$ 29,359
Change in tax effects of income tax related regulatory assets and liabilities	(383)
Amortization of excess deferred income tax	(2,612)
Other	(1)
Deferred income tax	\$ 26,363

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NOTES TO FINANCIAL STATEMENTS (Continued)

Other Disclosures

The Company is required to recognize only the impact of tax positions that, based on their technical merits, are more likely than not to be sustained upon an audit by the taxing authority. A reconciliation of unrecognized tax benefits is as follows:

	TXNM	PNM	TNMP
	(In thousands)		
Balance at December 31, 2021	\$ 13,714	\$ 10,771	\$ 141
Additions based on tax positions related to 2021	1,444	1,437	7
Additions (reductions) for tax positions of prior years	(4)	(7)	3
Balance at December 31, 2022	15,154	12,201	151
Additions based on tax positions related to 2022	(277)	(294)	17
Additions (reductions) for tax positions of prior years	259	239	20
Balance at December 31, 2023	15,136	12,146	188
Additions (reductions) based on tax positions related to 2023	19	2	17
Additions for tax positions of prior years	(154)	(163)	9
Balance at December 31, 2024	<u>\$ 15,001</u>	<u>\$ 11,985</u>	<u>\$ 214</u>

Included in the balance of unrecognized tax benefits at December 31, 2024 are \$14.9 million, \$11.9 million, and \$0.2 million that, if recognized, would affect the effective tax rate for TXNM, PNM, and TNMP. The Company does not anticipate that any unrecognized tax expenses or unrecognized tax benefits will be reduced or settled in 2025.

TXNM, PNM, and TNMP had no estimated interest income or expense related to income taxes for the years ended December 31, 2024, 2023, and 2022. There was no accumulated accrued interest receivable or payable related to income taxes as of December 31, 2024 and 2023.

The Company files a federal consolidated and several consolidated and separate state income tax returns. The tax years prior to 2021 are closed to examination by either federal or state taxing authorities other than Arizona. The tax years prior to 2020 are closed to examination by Arizona taxing authorities. Other tax years are open to examination by federal and state taxing authorities and net operating loss carryforwards are open to examination for the years in which the carryforwards are utilized. At December 31, 2024, the Company has \$186.2 million of federal net operating loss carryforwards that expire beginning in 2036 and \$129.0 million of federal tax credit carryforwards that expire beginning in 2025. State net operating losses expire beginning in 2037 and vary from federal due to differences between state and federal tax law.

In 2008, fifty percent bonus tax depreciation was enacted as a temporary two-year stimulus measure as part of the Economic Stimulus Act of 2008. Bonus tax depreciation in various forms has been extended since that time, including by the Protecting Americans from Tax Hikes Act of 2015. The 2015 act extended and phased-out bonus tax depreciation through 2019. As discussed above, the Tax Act eliminated bonus depreciation for utilities effective September 28, 2017. However, in 2020 the IRS issued regulations interpreting Tax Act amendments to depreciation provisions of the IRC which allowed the Company to claim a bonus depreciation deduction on certain construction projects placed in service after the third quarter of 2017. As a result of the net operating loss carryforwards for income tax purposes created by bonus depreciation, certain tax carryforwards were not expected to be utilized before their expiration. In addition, as a result of Tax Act changes to the deductibility of officer compensation, certain deferred tax benefits related to compensation are not expected to be realized. The Company has impaired the deferred tax assets for tax carryforwards which are not expected to be utilized and for compensation that is not expected to be deductible.

The Company earns investment tax credits for construction or purchase of eligible property. The Company uses the deferral method of accounting for these investment tax credits.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Impairments of tax attributes after reflecting the expiration of carryforwards under applicable tax laws, net of federal tax benefit, for 2022 through 2024 are as follows:

	TXNM	PNM	TNMP
	(In thousands)		
December 31, 2024:			
Federal tax credit carryforwards	\$ 131	\$ —	\$ —
Compensation expense	\$ (516)	\$ (335)	\$ (179)
December 31, 2023:			
Federal tax credit carryforwards	\$ 839	\$ (427)	\$ —
Compensation expense	\$ 387	\$ 246	\$ 140
December 31, 2022:			
Federal tax credit carryforwards	\$ 187	\$ 427	\$ —
Compensation expense	\$ 199	\$ 140	\$ 59

The tax effect of compensation that is not expected to be deductible and impairments of unexpired tax credits are reflected as a valuation allowance against deferred tax assets. The reserve balances, after reflecting expiration of carryforwards under applicable tax laws, at December 31, 2024 and 2023 are as follows:

	TXNM	PNM	TNMP
	(In thousands)		
December 31, 2024:			
Federal tax credit carryforwards	\$ 2,186	\$ —	\$ —
Compensation expense	\$ 596	\$ 394	\$ 202
December 31, 2023:			
Federal tax credit carryforwards	\$ 2,055	\$ —	\$ —
Compensation expense	\$ 1,112	\$ 729	\$ 381

(19) Goodwill

The excess purchase price over the fair value of the assets acquired and the liabilities assumed by TXNM for its 2005 acquisition of TNP was recorded as goodwill and was pushed down to the businesses acquired. In 2007, the TNMP assets that were included in its New Mexico operations, including goodwill, were transferred to PNM. TXNM's reporting units that currently have goodwill are PNM and TNMP.

The Company evaluates its goodwill for impairment annually at the reporting unit level or more frequently if circumstances indicate that the goodwill may be impaired. Application of the impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, and determination of the fair value of each reporting unit.

In certain circumstances an entity may perform a qualitative analysis to conclude that the goodwill of a reporting unit is not impaired. Under a qualitative assessment an entity considers macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant entity-specific events affecting a reporting unit, as well as whether a sustained decrease (both absolute and relative to its peers) in share price has occurred. An entity considers the extent to which each of the adverse events and circumstances identified could affect the comparison of a reporting unit's fair value with its carrying amount. An entity places more weight on the events and circumstances that most affect a reporting unit's fair value or the carrying amount of its net assets. An entity also considers positive and mitigating events and circumstances that may affect its determination of whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. An entity evaluates, on the basis of the weight of evidence, the significance of all identified events and circumstances in the context of determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. A quantitative analysis is not required if, after assessing events and

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circumstances, an entity determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount.

In other circumstances, an entity may perform a quantitative analysis to reach the conclusion regarding impairment with respect to a reporting unit. An entity may choose to perform a quantitative analysis without performing a qualitative analysis and may perform a qualitative analysis for certain reporting units, but a quantitative analysis for others. The first step of the quantitative impairment test requires an entity to compare the fair value of the reporting unit with its carrying value, including goodwill. If as a result of this analysis, the entity concludes there is an indication of impairment in a reporting unit having goodwill, the entity is required to perform the second step of the impairment analysis, determining the amount of goodwill impairment to be recorded. The amount is calculated by comparing the implied fair value of the goodwill to its carrying amount. This exercise would require the entity to allocate the fair value determined in step one to the individual assets and liabilities of the reporting unit. Any remaining fair value would be the implied fair value of goodwill on the testing date. To the extent the recorded amount of goodwill of a reporting unit exceeds the implied fair value determined in step two, an impairment loss would be reflected in results of operations.

TXNM periodically updates its quantitative analysis for both PNM and TNMP. The use of a quantitative approach in a given period is not necessarily an indication that a potential impairment has been identified under a qualitative approach. When TXNM performs a quantitative analysis for PNM or TNMP, a discounted cash flow methodology is primarily used to estimate the fair value of the reporting unit. This analysis requires significant judgments, including estimations of future cash flows, which is dependent on internal forecasts, estimations of long-term growth rates for the business, and determination of appropriate weighted average cost of capital for the reporting unit. Changes in these estimates and assumptions could materially affect the determination of fair value and the conclusion of impairment.

When TXNM performs a qualitative or quantitative analysis for PNM or TNMP, TXNM considers market and macroeconomic factors including changes in growth rates, changes in the WACC, and changes in discount rates. TXNM also evaluates its stock price relative to historical performance, industry peers, and to major market indices, including an evaluation of TXNM's market capitalization relative to the carrying value of its reporting units.

For its annual evaluations performed as of April 1, 2022, TXNM performed a qualitative analysis for both the PNM and TNMP reporting units. In addition to the typical considerations discussed above, the qualitative analysis considered changes in the Company's expectations of future financial performance since the April 1, 2018 quantitative analysis and the previous qualitative analyses through April 1, 2021 performed for PNM, as well as the April 1, 2020 quantitative analysis and the previous qualitative analyses performed for TNMP. This analysis considered Company specific events such as the Merger, potential impacts of legal and regulatory matters discussed in Notes 16 and 17, including potential outcomes in PNM's 2024 Rate Change, PNM's San Juan Abandonment Application, PNM's Four Corners Abandonment Application, PNM's PVNGS Leased Interest Abandonment Application and other potential impacts of changes in PNM's resource needs based on PNM's 2020 IRP. Based on an evaluation of these and other factors, the Company determined it was not more likely than not that the April 1, 2022 carrying values of PNM and TNMP exceeded their fair value.

For its annual evaluations performed as of April 1, 2023, TXNM performed a qualitative analysis for both the PNM and TNMP reporting units. In addition to the typical considerations discussed above, the qualitative analysis considered changes in the Company's expectations of future financial performance since the April 1, 2018 quantitative analysis and the previous qualitative analyses through April 1, 2022 performed for PNM, as well as the April 1, 2021 quantitative analysis and the previous qualitative analyses performed for TNMP. This analysis considered Company specific events such as the Merger, potential impacts of legal and regulatory matters discussed in Notes 16 and 17, including potential outcomes in PNM's 2024 Rate Change, PNM's San Juan Abandonment Application, PNM's Four Corners Abandonment Application, PNM's PVNGS Leased Interest Abandonment Application and other potential impacts of changes in PNM's resource needs based on PNM's 2020 IRP. Based on an evaluation of these and other factors, the Company determined it was not more likely than not that the April 1, 2023 carrying values of PNM and TNMP exceeded their fair value.

For its annual evaluations performed as of April 1, 2024, TXNM performed a quantitative analysis for the PNM reporting unit and a qualitative analysis for the TNMP reporting unit. The quantitative analysis, discussed above, indicated that the fair value of the PNM reporting unit, which has goodwill of \$51.6 million, exceeded its carrying value by approximately 54%. The qualitative analysis, in addition to the typical considerations discussed above, considered changes in the Company's expectations of future financial performance since the April 1, 2020

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NOTES TO FINANCIAL STATEMENTS (Continued)

quantitative analysis and the previous qualitative analyses through April 1, 2023 performed for TNMP. This analysis considered events specific to TNMP such as the potential impacts of legal and regulatory matters discussed in Note 16 and Note 17. Based on an evaluation of these and other factors, the Company determined it was not more likely than not that the April 1, 2024 carrying values of PNM and TNMP exceeded their fair value. Since the April 1, 2024 annual evaluation, there have been no events or indications that the fair values of the reporting units with recorded goodwill have decreased below their carrying values.

(20) Related Party Transactions

TXNM, PNM, TNMP, and NMRD are considered related parties, as is PNMR Services Company, a wholly-owned subsidiary of TXNM that provides corporate services to TXNM and its subsidiaries in accordance with shared services agreements. These services are billed at cost on a monthly basis to the business units. In addition, PNM purchases renewable energy from certain NMRD-owned facilities at a fixed price per MWh of energy produced. On February 27, 2024, PNMR Development and AEP OnSite Partners sold their respective interests in NMRD, and the table below reflects transactions with NMRD prior to the sale.

TXNM files a consolidated federal income tax return with its affiliated companies. A tax allocation agreement exists between TXNM and each of its affiliated companies. These agreements provide that the subsidiary company will compute its taxable income on a stand-alone basis. If the result is a net tax liability, such amount shall be paid to TXNM. If there are net operating losses and/or tax credits, the subsidiary shall receive payment for the tax savings from TXNM to the extent that TXNM is able to utilize those benefits.

See Note 7 for information on intercompany borrowing arrangements. The table below summarizes the nature and amount of related party transactions of TXNM, PNM and TNMP:

	Year Ended December 31,		
	2024	2023	2022
	(In thousands)		
Services billings:			
TXNM to PNM	\$ 132,209	\$ 124,321	\$ 115,415
TXNM to TNMP	53,166	47,470	42,293
PNM to TNMP	440	349	411
TNMP to TXNM	114	141	141
TNMP to PNM	497	—	—
TXNM to NMRD	66	333	308
Renewable energy purchases:			
PNM from NMRD	1,523	12,717	11,795
Interest billings:			
TXNM to PNM	142	23	13
PNM to TXNM	612	582	249
TXNM to TNMP	210	129	166
Income tax sharing payments:			
TXNM to PNM	2,351	5,338	—
PNM to TXNM	—	—	11,602
TNMP to TXNM	10,312	15,749	8,341

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NOTES TO FINANCIAL STATEMENTS (Continued)

(21) Equity Method Investment

In September 2017, PNMR Development and AEP OnSite Partners created NMRD to pursue the acquisition, development, and ownership of renewable energy generation projects, primarily in the state of New Mexico. PNMR Development and AEP OnSite Partners each had a 50% ownership interest in NMRD.

On December 22, 2023, PNMR Development and AEP Onsite reached agreement with Exus New Mexico, LLC, a subsidiary of Exus North America Holdings, LLC, for the sale of NMRD and its subsidiaries, pursuant to a Membership Interest Purchase Agreement, dated December 22, 2023 ("MIPA"). Closing occurred on February 27, 2024, with PNMR Development receiving net proceeds of \$117.0 million and recognized an after-tax gain of \$4.4 million, which includes the recognition of deferred investment tax credits of \$15.7 million.

TXNM accounted for its investment in NMRD using the equity method of accounting because TXNM's ownership interest results in significant influence, but not control, over NMRD and its operations. TXNM recorded as income its percentage share of earnings or loss of NMRD and carried its investment at cost, adjusted for its share of undistributed earnings or losses.

During 2024, 2023 and 2022 PNMR Development and AEP OnSite Partners each made cash contributions of \$12.6 million, \$26.3 million and zero to NMRD.

TXNM presented its share of net earnings from NMRD in other income on the Consolidated Statements of Earnings. Summarized financial information for NMRD is as follows:

	December 31,		
	2024	2023	2022
	(In thousands)		
Operating revenues	\$ 3,204	\$ 13,629	\$ 12,505
Operating expenses	3,378	8,228	9,591
Net earnings	<u>\$ (174)</u>	<u>\$ 5,401</u>	<u>\$ 2,914</u>

	December 31,	
	2024	2023
	(In thousands)	
Current assets	\$ —	\$ 2,589
Net property, plant, and equipment	—	235,791
Non-current assets	—	1,849
Total assets	—	240,229
Current liabilities	—	730
Non-current liabilities	—	358
Owners' equity	<u>\$ —</u>	<u>\$ 239,141</u>

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.			
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	3,540,686,445	3,540,686,445
4	Property Under Capital Leases	12,008,757	12,008,757
5	Plant Purchased or Sold	—	—
6	Completed Construction not Classified	95,235,132	95,235,132
7	Experimental Plant Unclassified	—	—
8	Total (3 thru 7)	3,647,930,334	3,647,930,334
9	Leased to Others	—	—
10	Held for Future Use	14,798	14,798
11	Construction Work in Progress	165,972,698	165,972,698
12	Acquisition Adjustments	—	—
13	Total Utility Plant (8 thru 12)	3,813,917,830	3,813,917,830
14	Accum Prov for Depr, Amort, & Depl	764,005,060	764,005,060
15	Net Utility Plant (13 less 14)	3,049,912,770	3,049,912,770
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	758,485,720	758,485,720
19	Amort & Depl of Producing Nat Gas Land/Land Right	—	
20	Amort of Underground Storage Land/Land Rights	—	
21	Amort of Other Utility Plant	5,519,340	5,519,340
22	Total In Service (18 thru 21)	764,005,060	764,005,060
23	Leased to Others		
24	Depreciation	—	—
25	Amortization and Depletion	—	—
26	Total Leased to Others (24 & 25)	—	—
27	Held for Future Use		
28	Depreciation	—	—
29	Amortization	—	—
30	Total Held for Future Use (28 & 29)	—	—
31	Abandonment of Leases (Natural Gas)	—	
32	Amort of Plant Acquisition Adj	—	—
33	Total Accum Prov (equals 14) (22,26,30,31,32)	764,005,060	764,005,060

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
—	—	—	—	—	3
—	—	—	—	—	4
—	—	—	—	—	5
—	—	—	—	—	6
—	—	—	—	—	7
—	—	—	—	—	8
—	—	—	—	—	9
—	—	—	—	—	10
—	—	—	—	—	11
—	—	—	—	—	12
—	—	—	—	—	13
—	—	—	—	—	14
—	—	—	—	—	15
					16
					17
—	—	—	—	—	18
—					19
—					20
—	—	—	—	—	21
—	—	—	—	—	22
					23
—	—	—	—	—	24
—	—	—	—	—	25
—	—	—	—	—	26
					27
—	—	—	—	—	28
—	—	—	—	—	29
—	—	—	—	—	30
—					31
—	—	—	—	—	32
—	—	—	—	—	33

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	—	—
3	(302) Franchises and Consents	—	—
4	(303) Miscellaneous Intangible Plant	28,406,243	12,304,259
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	28,406,243	12,304,259
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	—	—
9	(311) Structures and Improvements	—	—
10	(312) Boiler Plant Equipment	—	—
11	(313) Engines and Engine-Driven Generators	—	—
12	(314) Turbogenerator Units	—	—
13	(315) Accessory Electric Equipment	—	—
14	(316) Misc. Power Plant Equipment	—	—
15	(317) Asset Retirement Costs for Steam Production	—	—
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	—	—
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	—	—
19	(321) Structures and Improvements	—	—
20	(322) Reactor Plant Equipment	—	—
21	(323) Turbogenerator Units	—	—
22	(324) Accessory Electric Equipment	—	—
23	(325) Misc. Power Plant Equipment	—	—
24	(326) Asset Retirement Costs for Nuclear Production	—	—
25	TOTAL Nuclear Production Plant (Enter Total of Lines 18 thru 24)	—	—
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights	—	—
28	(331) Structures and Improvements	—	—
29	(332) Reservoirs, Dams, and Waterways	—	—
30	(333) Water Wheels, Turbines, and Generators	—	—
31	(334) Accessory Electric Equipment	—	—
32	(335) Misc. Power Plant Equipment	—	—
33	(336) Roads, Railroads, and Bridges	—	—
34	(337) Asset Retirement Costs for Hydraulic Production	—	—
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	—	—
36	D. Other Production Plant		
37	(340) Land and Land Rights	—	—
38	(341) Structures and Improvements	—	—
39	(342) Fuel Holders, Products and Accessories	—	—
40	(343) Prime Movers	—	—
41	(344) Generators	—	—
42	(345) Accessory Electric Equipment	—	—
43	(346) Misc. Power Plant Equipment	—	—
44	(347) Asset Retirement Costs for Other Production	—	—
44.1	(348) Energy Storage Equipment - Production	—	—
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	—	—
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	—	—

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
—	—	—	—	1
—	—	—	—	2
—	—	—	—	3
15,294,065	—	—	25,416,437	4
15,294,065	—	—	25,416,437	5
—	—	—	—	6
—	—	—	—	7
—	—	—	—	8
—	—	—	—	9
—	—	—	—	10
—	—	—	—	11
—	—	—	—	12
—	—	—	—	13
—	—	—	—	14
—	—	—	—	15
—	—	—	—	16
—	—	—	—	17
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—	—	—	—	24
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—	—	—	—	38
—	—	—	—	39
—	—	—	—	40
—	—	—	—	41
—	—	—	—	42
—	—	—	—	43
—	—	—	—	44
—	—	—	—	44.1
—	—	—	—	45
—	—	—	—	46

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)			
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	21,329,873	2,244,814
48.1	(351) Energy Storage Equipment - Transmission	—	—
49	(352) Structures and Improvements	53,827,266	5,496,123
50	(353) Station Equipment	345,346,173	17,324,169
51	(354) Towers and Fixtures	11,973,619	—
52	(355) Poles and Fixtures	443,296,167	50,212,997
53	(356) Overhead Conductors and Devices	191,027,857	19,928,593
54	(357) Underground Conduit	—	—
55	(358) Underground Conductors and Devices	—	—
56	(359) Roads and Trails	548,479	6,013
57	(359.1) Asset Retirement Costs for Transmission Plant	—	—
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	1,067,349,434	95,212,709
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	11,608,344	1,555,080
61	(361) Structures and Improvements	18,780,552	1,007,772
62	(362) Station Equipment	687,548,814	127,230,500
63	(363) Storage Battery Equipment	—	—
64	(364) Poles, Towers, and Fixtures	370,494,632	70,771,740
65	(365) Overhead Conductors and Devices	351,841,791	49,226,002
66	(366) Underground Conduit	66,654,043	8,779,505
67	(367) Underground Conductors and Devices	149,074,807	17,760,182
68	(368) Line Transformers	174,756,998	24,471,270
69	(369) Services	100,019,952	6,879,816
70	(370) Meters	59,626,981	7,468,606
71	(371) Installations on Customer Premises	4,128,634	(32,559)
72	(372) Leased Property on Customer Premises	—	—
73	(373) Street Lighting and Signal Systems	24,501,894	3,539,328
74	(374) Asset Retirement Costs for Distribution Plant	6,320	—
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	2,019,043,762	318,657,242
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights	—	—
78	(381) Structure and Improvements	—	—
79	(382) Computer Hardware	—	—
80	(383) Computer Software	—	—
81	(384) Communication Equipment	—	—
82	(385) Miscellaneous Regional Transmission and Market Operation	—	—
83	(386) Asset Retirement Costs, Regional Transmission & Market Op	—	—
84	TOTAL Transmission & Market Op Plant (Total lines 77 thru 83)	—	—
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	6,329,307	1,974,180
87	(390) Structures and Improvements	42,739,254	17,115,245
88	(391) Office Furniture and Equipment	11,070,733	8,605,048
89	(392) Transportation Equipment	3,970,433	851,369
90	(393) Stores Equipment	170,613	—
91	(394) Tools, Shop and Garage Equipment	16,591,793	1,526,647
92	(395) Laboratory Equipment	—	—
93	(396) Power Operated Equipment	2,565,513	76,085
94	(397) Communication Equipment	12,560,042	2,777,211
95	(398) Miscellaneous Equipment	338,152	—
96	SUBTOTAL (Enter Total of lines 86 thru 95)	96,335,840	32,925,785
97	(399) Other Tangible Property	—	—
98	(399.1) Asset Retirement Costs for General Plant	16,955	—
99	TOTAL General Plant (Enter Total of lines 96, 97, and 98)	96,352,795	32,925,785
100	TOTAL (Accounts 101 and 106)	3,211,152,234	459,099,995
101	(102) Electric Plant Purchased (See instr. 8)	—	—
102	(Less) (102) Electric Plant Sold (See Instr. 8)	—	—
103	(103) Experimental Plant Unclassified	—	—
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	3,211,152,234	459,099,995

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
1,223	—	—	23,573,464		48
—	—	—	—		48.1
—	—	—	59,323,389		49
299,097	—	—	362,371,245		50
1,846	—	—	11,971,773		51
797,519	—	—	492,711,645		52
404,271	—	(106,932)	210,445,247		53
—	—	—	—		54
—	—	—	—		55
—	—	—	554,492		56
—	—	—	—		57
1,503,956	—	(106,932)	1,160,951,255		58
—	—	—	—		59
—	—	—	13,163,424		60
43,382	—	(9,990)	19,734,952		61
7,205,158	—	253,580	807,827,736		62
—	—	—	—		63
3,096,305	—	—	438,170,067		64
1,903,619	—	—	399,164,174		65
21,661	—	—	75,411,887		66
502,693	—	—	166,332,296		67
2,216,241	—	—	197,012,027		68
127,393	—	—	106,772,375		69
22,166	—	—	67,073,421		70
408	—	—	4,095,667		71
—	—	—	—		72
748,891	—	—	27,292,331		73
—	—	—	6,320		74
15,887,917	—	243,590	2,322,056,677		75
—	—	—	—		76
—	—	—	—		77
—	—	—	—		78
—	—	—	—		79
—	—	—	—		80
—	—	—	—		81
—	—	—	—		82
—	—	—	—		83
—	—	—	—		84
—	—	—	—		85
—	—	—	8,303,487		86
622,507	—	—	59,231,992		87
532,166	—	(4,222)	19,139,393		88
210,619	—	—	4,611,183		89
—	—	9,445	180,058		90
134,871	—	—	17,983,569		91
—	—	(9,445)	(9,445)		92
5,982	—	—	2,635,616		93
136,208	—	—	15,201,045		94
1,897	—	(132,436)	203,819		95
1,644,250	—	(136,658)	127,480,717		96
—	—	—	—		97
464	—	—	16,491		98
1,644,714	—	(136,658)	127,497,208		99
34,330,652	—	—	3,635,921,577		100
—	—	—	—		101
—	—	—	—		102
—	—	—	—		103
34,330,652	—	—	3,635,921,577		104

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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FOOTNOTE DATA

Page 207, Row 87 and 89, Column (e)

At December 31, 2024, total Electric Plant in Service excludes Property Under Capital Lease of \$12,008,757.

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

- Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
- For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	Bayou Substation Site	3/31/1996	Unknown	12,736
3	Gatesville Sub	12/1/2024	Unknown	1,837
4	Hamilton Sub	12/1/2024	Unknown	225
5				
6				
7				
8				
9				
10				
11				
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15				
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21	Other Property:			
22				
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46				
47	Total			14,798

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	001 Line Extension-Residential	1,349,748
2	002 Line Extension-Commercial	1,859,984
3	003 Reliability Projects	1,824,877
4	005 Lighting	134,837
5	006 Distribution Remove & Replace	1,355,629
6	007 Distribution System Improvements	608,072
7	008 Services	149,104
8	009 Transformers	218,832
9	020 NTE Distribution Substation	133,602
10	020 STE Distribution Substation	308,420
11	021 Freeway Park Ckt #7	228,583
12	021 Ham Co Sub-Ph1 Reconfig Circuits	136,639
13	021 Hico Sub-Ph1 4kV Circuit Cutover	1,254,496
14	021 New Customer Blue Ridge Estates	121,760
15	021 NewCust Data&EnergyIncBitcoinMNLSub	526,697
16	021 Power Transformer Asset Mgmt	1,561,229
17	021 SWE1264 RblD PhB to 3Ph CR809 25kft	125,733
18	021 URD Rehab-Overland Trails Dickinson	449,937
19	021 WHISubPh1 T2ReconfigWI22460 WI22465	141,989
20	021 WTX Capacitor Replacement Installs	104,652
21	022 Coachwhip 2nd Transformer	1,826,369
22	022 Coryell Co-Ph2 4kV Circuit Cutover	171,077
23	022 Distribution Breaker Asset Mgmt	248,256
24	022 Distribution Pole Changeouts	142,009
25	022 Hidden Lakes Sub 3rd XFMR	612,007
26	022 Power Transformer Asset Mgmt	609,452
27	022 West Sub New Concrete Fence	146,046
28	022 White Oak Substation	6,248,638
29	023 Pilot Point Substation	3,669,798
30	023 SRP Clifton No2 Rebuild - Mallard	510,436
31	024 Gulf Coast 50 MVA Mobile Sub	2,776,179
32	024 Kermit 'Windblown' Sub Feeder Exits	582,359
33	024 Mainland Ckt #3	338,531
34	024 PIL Ckt 2608 Lake Crossing Upgrade	794,670
35	024 Turkeyfoot Substation	1,442,163
36	024 WCL Line Term Add - Castor ESR	392,835
37	024 Zeya Energy Storage Resource	215,845
38	025 Flycatcher Substation	1,625,100
39	025 Lakeside Crossing 201 Townhomes	370,888
40	025 LineTerminalAddnFwyParkSubRedEgret	907,742
41	026 League City Line Term Add - Wizard	232,422
42	026 NC Austin Colony Subdivision Sect 1	181,397
43	026 Rebuild League City High Side	6,460,677
44	026 Sand Lake 2nd XFMR	2,353,616
45	026 Wolfcamp Substation	751,232
46	027 Whitney T1 Rebuild - New XFMR	578,069
47	028 NC HighPointe Ph2 W Aubrey	226,240
48	028 NewCustHighPointeRanchPh1-1B Aubrey	325,581
49	029 NC HighPointe Ph3 W Aubrey	130,421
50	029 Sweeny T2 Upgrade	580,512

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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
51	030 NC Lago Mar POD 10 Sect 3	153,858
52	030 NC Lago Mar POD 9 Sec 2	334,513
53	031 Lago Mar Substation	621,388
54	031 League City Cap Banks Add	238,836
55	031 Refresh Shared Storage (OPS & FIG)	367,952
56	033 NC Riata Development	179,876
57	033 Stella DGR Hidden Lakes Subs	670,587
58	034 NC Sicily Addition Ph2	685,442
59	035 Hamilton County Rebuild	9,891,547
60	035 West Texas 50 MVA Mobile Sub	2,776,049
61	036 LakeWhitney Autotransformer Replace	3,693,400
62	038 NC Lakehaven8 Frmsvle, TX	303,096
63	038 Sand Lake New Feeders (2) East	1,172,740
64	038 Whitney Substation Rebuild	260,327
65	040 Valley Mills Rebuild	1,545,551
66	041 NC Clearhaven-1 Princeton TX	182,915
67	042 NC Clearhaven-2 Princeton Tx	110,698
68	042 WTX Cantaloupe Solar SODG	133,183
69	044 NC Eastridge Princeton Tx	134,015
70	047 NC WWing 3 Beazer PRI	163,650
71	048 NC WWing 3 Pulte 3B	561,641
72	052 Palmetto Sub	5,665,998
73	057 Hurricane Beryl 7-7-2024	1,787,202
74	071 NTE Misc Transmission	221,751
75	071 WTX Misc Transmission	131,750
76	072 Rebuild Brazoria to Retrieve 3000A	4,887,211
77	073 Fishhook Transmission Line Cut Ins	206,523
78	075 Transmission Breaker Asset Mgmt	300,734
79	076 NC PPM Pyote Bitcoin Mine	115,494
80	077 Switch Replacements	171,092
81	078 16th Street Autotransformer Replace	3,431,701
82	078 Cowpen 345kV/138kV Station RPG	8,163,358
83	078 LeagueCity to HiddenLakes Rbld3000A	3,786,859
84	078 T-Line FWY Park to Red Egret	885,078
85	079 CT06920-Rebuild with 22kV Underbld	727,570
86	079 Silverleaf 345kV/138kV Station RPG	16,347,081
87	080 Airport to Avilla TLine Construct	892,492
88	080 Magnolia-Seminole138kVRebuild RPG	2,835,098
89	081 FM524 Terminal Addition-Desna BESS	210,235
90	082 League City to Wizard 138kV T-Line	460,179
91	082 Monarch Switching Station	527,959
92	083 Alvin to Bocanova T-Line	878,320
93	084 2025 345kV Breaker Slot Reserve	6,174,473
94	084 Cottonwood to Oncor Lean Clay	982,230
95	084 Rcnldr TI to Lakepoint 138kV Line	4,928,000
96	084 TC Line Raise Heavy Haul Route	1,096,331
97	085 Hidden Lakes - Evelyn Energy T-Line	1,657,415
98	085 Kermit#2 TransmissionLine & Cut In	700,180
99	085 TNP One Remote End Work	348,171
100	086 BlueRidge TransmissionLine & Cut In	473,308

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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
101	086 Heights-Zeya ESR 138kV Trans Line	1,085,175
102	086 Stone Road Switching Station	1,236,469
103	086 TwinOaks RemoteEndWork and Upgrades	109,675
104	087 HamCounty TransmissionLine & Cut In	812,622
105	087 League City to Butler RD Reterm	1,160,079
106	087 Rcmd Cedarvale-Fishhook with ACCC	3,353,677
107	088 League City to Dickinson Reterm	162,580
108	088 Rcmd MiVida-Fishhook with ACCC	3,353,262
109	089 Rcmd Cedarvale-MiVida with ACCC	342,884
110	089 Rebuild 69kV Line Texas City	3,902,953
111	090 New Pilot Point T-Line	1,003,367
112	091 Jupiter Tidwell Prairie ESR TNP1Sub	6,541,888
113	281 Firewall Manager EOL Replacement	160,478
114	281 OSI Monarch Sys Upgrd Software Adds	169,383
115	281 Viewport	125,475
116	299 Accounting True Ups	204,972
117	305 WTX Building Improvements	126,206
118	306 Freeway Park Laydown Yard	222,740
119		
120		
121		
122		
123		
124		
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126		
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150	TOTAL	165,972,698

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	680,972,561	680,972,561	—	—
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	122,840,576	122,840,576	—	—
4	(403.1) Depreciation Expense for Asset Retirement Costs	429	429	—	—
5	(413) Exp. of Elec. Plt. Leas. to Others	—	—	—	—
6	Transportation Expenses-Clearing	446,654	446,654	—	—
7	Other Clearing Accounts	—	—	—	—
8	Other Accounts (Specify, details in footnote):	—	—	—	—
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	123,287,659	123,287,659	—	—
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	19,036,589	19,036,589	—	—
13	Cost of Removal	24,483,986	24,483,986	—	—
14	Salvage (Credit)	982,736	982,736	—	—
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	42,537,839	42,537,839	—	—
16	Other Debit or Cr. Items (Describe, details in footnote):	(3,236,661)	(3,236,661)	—	—
17					
18	Book Cost or Asset Retirement Costs Retired	—	—	—	—
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	758,485,720	758,485,720	—	—

Section B. Balances at End of Year According to Functional Classification

20	Steam Production	—	—	—	—
21	Nuclear Production	—	—	—	—
22	Hydraulic Production-Conventional	—	—	—	—
23	Hydraulic Production-Pumped Storage	—	—	—	—
24	Other Production	—	—	—	—
25	Transmission	182,907,223	182,907,223	—	—
26	Distribution	552,721,689	552,721,689	—	—
27	Regional Transmission and Market Operation	—	—	—	—
28	General	22,856,808	22,856,808	—	—
29	TOTAL (Enter Total of lines 20 thru 28)	758,485,720	758,485,720	—	—

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FOOTNOTE DATA

Page 219, Row 16, Column (c)

	December 31, 2024
Change in RWIP	\$ 3,534,547
Software Transfer	(297,795)
Gain / Loss	(91)
	\$ 3,236,661

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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MATERIALS AND SUPPLIES

- For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
- Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense/clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	—	—	
2	Fuel Stock Expenses Undistributed (Account 152)	—	—	
3	Residuals and Extracted Products (Account 153)	—	—	
4	Plant Materials and Operating Supplies (Account 154)	—	—	
5	Assigned to - Construction (Estimated)	15,392,291	23,210,422	
6	Assigned to - Operations and Maintenance	—	—	
7	Production Plant (Estimated)	—	—	
8	Transmission Plant (Estimated)	18,708	51,031	
9	Distribution Plant (Estimated)	1,051,297	1,089,884	
10	Regional Transmission and Market Operation Plant (Estimated)	—	—	
11	Assigned to - Other (provide details in footnote)	—	—	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	16,462,296	24,351,337	
13	Merchandise (Account 155)	—	—	
14	Other Materials and Supplies (Account 156)	—	—	
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)	—	—	
16	Stores Expense Undistributed (Account 163)	—	—	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	16,462,296	24,351,337	

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2	Jupiter Tidwell Prairie 2 & 3	—	253	(110,000)	253
3	ESVolta Pequin FIS Study	—	253	(15,000)	253
4	Mitchell Road FIS Study	4,047	253	—	253
5	Berkman Storage FIS	795	253	—	253
6	Jupiter St Gall Solar LLC FIS	75,226	253	—	253
7	Red Egret BESS FIS Study	49,138	253	—	253
8	Shepard Energy Storage LLC FIS	—	253	(55,000)	253
9	Longfellow Solar & Bess FIS Study	10,020	253	—	253
10	Digital Lewisville 130MW Load Reque	7,959	253	—	253
11	Bocanova BESS FIS Study	9,960	253	—	253
12	Galveston Region RPG Study	134,150	253	—	253
13	Marathon Tank Farm Expansion RSS	37,102	253	—	253
14	WhiteBaker RPG	53,374	253	—	253
15	Tidwell Prairie IV FIS for Siemens	90,271	253	—	253
16	NorthEnergy US Data Center Blossom	—	253	400,000	253
17	Bitinfra US LLC @ Farmersville	—	253	400,000	253
18	St. Gall BESS II FIS Study	95,286	253	—	253
19	Vertus Energy Storage FIS	49,017	253	(15,000)	253
20	Southern Select Energy Storage FIS	93,218	253	—	253
21	First Capitol BESS FIS	88,255	253	—	253
22	Mitchell PI Rd Solar/Storge Restudy	61,159	253	—	253
23	Broad Reach Power Zeya FIS Study 2	40,080	253	—	253
24	Marcus Energy Storage FIS	90,271	253	—	253
25	BRP Avila BESS FIS Restudy	90,271	253	—	253
26	TNP1 CIP14 Study	4,404	253	—	253
27	Bulldog Power FIS Studies	85,246	253	—	253
28	Rubicon Power BESS FIS Studies	88,225	253	—	253
29	Sherbino II BESS SLF FIS Studies	115,230	253	(475,000)	253
30	Bell Creek BESS FIS Study	110,332	253	—	253
31	Desna BESS Restudies	85,246	253	—	253
32	Dan Kearney BESS FIS	90,271	253	(110,000)	253
33	Castor BESS SC&ST Restudies	87,217	253	(55,000)	253
34	Continental Resource Retail Service	34,092	253	(36,000)	253
35	IEP Blackhawk FIS Studies	—	253	(110,000)	253
36	Aggie SLF FIS Studies	87,257	253	(110,000)	253
37	Carolina BESS FIS Studies	—	253	(110,000)	253
38	Gamay BESS FIS Studies	88,255	253	(110,000)	253
39	Tidwell Prairie I Batt FIS Restudie	112,277	253	(130,000)	253
40	Tidwell Prairie II Batt FIS Restudi	150,788	253	(110,000)	253

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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Transmission Service and Generation Interconnection Study Costs (continued)

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
Transmission Studies					
41	GLBP Load Studies	37,101	253	(36,000)	253
42	Thornton Ranch Solar/BESS FIS	87,229	253	(110,000)	253
43	Big Rooter West FIS Study	102,705	253	(117,500)	253
44	Big Rooter East FIS Study	102,705	253	(117,500)	253
45	Red Egret Facility Re-study	—	253	(15,000)	253
46	Evelyn SC & ST Re-studies	55,156	253	(55,000)	253
47	Bocanova FIS SC&ST Restudies	55,156	253	(70,000)	253
48	Marathon Load Restudies	82,194	253	(88,400)	253
49	Dogfish FIS Restudies	—	253	(55,000)	253
50	Headcamp BESS FIS Restudies	74,680	253	(95,000)	253
51	Brazos River FIS Studies	110,317	253	(130,000)	253
52	Chevron Reeves - TNMP Switchgrass	—	253	(4,770,505)	253
53	Kentucky Town Load Study	39,087	253	—	253
54	Comanche Creek Generating Station F	76,269	253	(110,000)	253
55	Toliver FIS Studies	35,518	253	(110,000)	253
56	Bynum Solar Project FIS Studies	—	253	(55,000)	253
57	Hasting Park BESS FIS Study	87,218	253	(110,000)	253
58	Infinium Load Study	67,109	253	(67,000)	253
59	Hacienda Storage FIS Restudies	—	253	(110,000)	253
60	Dogfish BESS SSR Restudies	—	253	(40,000)	253
61	Headcamp BESS SSR Restudies	—	253	(40,000)	253
62	St. Gall II Energy Storage Partial	—	253	(10,000)	253
63	TEXAS CITY HEAVY HAUL RO	511,529	253	(5,535,530)	253
64	Kodiak AGR1 FIS Studies	15,030	253	(110,000)	253
65	St. Gall II Energy Storage Notice	—	253	(500,000)	253
66	GLBE Shoal Load Restudy	11,964	253	—	253
67	Symank Solar FIS Studies	—	253	(110,000)	253
68					
69	Total	3,769,408		(13,318,435)	
Generation Studies					
71					
72					
73					
74					
75					
76					
77					
78	Total	—		—	
79	Grand Total	3,769,408		(13,318,435)	

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Account Charged (d)	Written off During the Period Amount (e)	
1	Income Tax Regulatory Asset	8,881,520	—	282,283	311,809	8,569,711
2						
3	Qualified Pension	20,710,540	456,166	Various	555,806	20,610,900
4						
5	TCRF Under Recovery	—	12,321,354	456	7,053,338	5,268,016
6						
7	Bad Debt - Retail Providers, Dockets #48401/50731	815,330	—		—	815,330
8						
9	Non-Standard Metering - Docket #41901	87,820	—	928	43,144	44,676
10	Non-Standard Metering Rate Case Expenses	13,436	—	928	7,366	6,070
11						
12	Catastrophe Reserve Under Collection Dkt#36025	5,639,129	1,098,894	924	349,700	6,388,323
13						
14	Interim AMS Recovery - Docket #48401/52314	9,028,693	—	930	2,909	9,025,784
15						
16	Energy Efficiency 2022 Program Year	(1,053,841)	1,053,841		—	—
17	Energy Efficiency 2023 Program Year	1,104,750	—	254	1,104,750	—
18						
19	Transmission Line Safety Inspections HB #4150	937,490	382,859		—	1,320,349
20						
21	Other Post Retirement Benefits	1,143,798	675	Various	671,687	472,786
22						
23	TNMP Load Shed Initiatives Docket #52689	42,312	—		—	42,312
24						
25	TNMP Interim AMS Carrying Charges Dkt #52314	1,973,247	510,512		—	2,483,759
26						
27	TNMP AMS Deferred Depreciation Docket #53436	1,341,316	—		—	1,341,316
28						
29	TNMP System Resiliency					
30	Wildfire Mitigation	20,250	916,766		—	937,016
31	Other Plans	—	842,655		—	842,655
32	Legal Fees	—	300,683		—	300,683
33						
34	TNMP Circuit Segmentation	—	266,719		—	266,719
35						
36	TNMP Excess Deferred FIT	—	6,541,781		—	6,541,781
37						
38	TNMP Hurricane Beryl	—	20,958,229		—	20,958,229
39						
40						
41						
42						
43						
44	TOTAL :	50,685,790	45,651,134		10,100,509	86,236,415

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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MISCELLANEOUS DEFFERED DEBITS (Account 186)

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Goodwill	226,664,902	—		—	226,664,902
2	Financing	—	4,579,865	181	4,579,865	—
3	Other	14,146	954,149	Various	965,680	2,615
4						
5						
6						
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44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350-351)	282,114	303,327	Various	140,787	444,654
49	TOTAL	226,961,162				227,112,171

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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Employee Benefits	2,276,998	2,400,397
3	Regulatory Liability	19,179,614	18,485,205
4	Other	6,217,025	5,365,311
5			
6			
7	Other	—	—
8	TOTAL Electric (Enter Total of lines 2 thru 7)	27,673,637	26,250,913
9	Gas		
10			
11			
12			
13			
14			
15	Other	—	—
16	TOTAL Gas (Enter Total of lines 10 thru 15)	—	—
17	Other (Specify)	—	—
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	27,673,637	26,250,913

Notes

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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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CAPITAL STOCKS (Account 201 and 204)

- Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
- Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock (Account 201)			
2		12,000,000	10.00	
3				
4				
5	Total	12,000,000		
6	Preferred Stock (Account 204)			
7		1,000,000	100.00	
8				
9				
10	Total	1,000,000		
11	Capital Stock (Accounts 201 and 204) - Data Conversion			
12				
13				
14				
15	Total	—		

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Shares	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Amount	Held by Respondent As Reacquired Stock (Acct 217) Shares	Held by Respondent As Reacquired Stock (Acct 217) Cost	Held by Respondent In Sinking and Other Funds Shares	Held by Respondent In Sinking and Other Funds Amount	Line No.
(e)	(f)	(g)	(h)	(i)	(j)	
						1
6,358	63,569	—	—	—	—	2
						3
						4
6,358	63,569					5
						6
						7
						8
						9
—	—					10
						11
						12
						13
						14
—	—					15

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Donations Received from Stockholders (Account 208)	
2	Beginning Balance Amount	—
3	Increases (Decreases) from Sales of Donations Received from Stockholders	—
3.1		
4	Ending Balance Amount	—
5	Reduction in Par or Stated Value of Capital Stock (Account 209)	
6	Beginning Balance Amount	—
7	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	—
7.1		
8	Ending Balance Amount	—
9	Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)	
10	Beginning Balance Amount	—
11	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	—
11.1		
12	Ending Balance Amount	—
13	Miscellaneous Paid-In Capital (Account 211)	
14	Beginning Balance Amount	779,841,936
15	Increases (Decreases) Due to Miscellaneous Paid-In Capital	24,000,000
15.1	Equity Contributions from TXNM	—
16	Ending Balance Amount	803,841,936
17	Historical Data - Other Paid in Capital	
18	Beginning Balance Amount	—
19	Increases (Decreases) in Other Paid-In Capital	—
19.1		
20	Ending Balance Amount	—
40	TOTAL	803,841,936

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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

- Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
- In column (a), for new issues, give Commission authorization numbers and dates.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
- For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
- Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Related Account Number (b)	Principal Amount of Debt Issued (c)	Total Expense, Premium or Discount (d)	Total Expense (e)	Total Premium (f)	Total Discount (g)
1	Bonds (Account 221)						
2	First Mortgage Bonds - 6.95%		93,198,000	(21,461,557)	1,787,616	(23,249,173)	
3	First Mortgage Bonds - 3.85%		60,000,000	624,534	624,534		
4	First Mortgage Bonds - 3.53%		60,000,000	820,685	820,685		
5	First Mortgage Bonds- 3.22%		60,000,000	570,618	570,618		
6	First Mortgage Bonds- 3.60%		80,000,000	600,827	600,827		
7	First Mortgage Bonds- 4.03%		80,000,000	1,055,515	1,055,515		
8	First Mortgage Bonds- 3.79%		75,000,000	563,275	563,275		
9	First Mortgage Bonds- 3.92%		75,000,000	563,275	563,275		
10	First Mortgage Bonds- 4.06%		75,000,000	563,275	563,275		
11	First Mortgage Bonds- 2.73%		85,000,000	847,783	847,783		
12	First Mortgage Bonds- 3.36%		25,000,000	249,348	249,348		
13	First Mortgage Bonds- 2.93%		25,000,000	249,348	249,348		
14	First Mortgage Bonds- 3.36%		50,000,000	498,686	498,686		
15	First Mortgage Bonds- 2.44%		65,000,000	501,412	501,412		
16	First Mortgage Bonds- 4.13%		65,000,000	440,452	440,452		
17	First Mortgage Bonds- 3.81%		95,000,000	643,737	643,737		
18	First Mortgage Bonds- 5.01%		130,000,000	706,699	706,699		
19	First Mortgage Bonds- 5.47%		55,000,000	298,988	298,988		
20	First Mortgage Bonds- 5.26%		32,000,000	211,654	211,654		
21	First Mortgage Bonds- 5.55%		85,000,000	562,206	562,206		
22	First Mortgage Bonds- 5.65%		40,000,000	264,568	264,568		
23	First Mortgage Bonds- 5.79%		128,000,000	846,617	846,617		
24	Subtotal		1,538,198,000	(9,778,055)	13,471,118	(23,249,173)	—
25	Reacquired Bonds (Account 222)						
26							
27	Subtotal		—	—	—	—	—
28	Advances from Associated Companies (Account 223)						
29							
30	Subtotal		—	—	—	—	—
31	Other Long Term Debt (Account 224)						
32							
33	Subtotal		—	—	—	—	—
34	TOTAL		1,538,198,000	(9,778,055)	13,471,118	(23,249,173)	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (h)	Date of Maturity (i)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (l)	Interest for Year Amount (m)	Line No.
		Date From (j)	Date To (k)			
						1
4/3/2013	4/1/2043	4/3/2013	4/1/2043	93,198,000	6,477,261	2
6/28/2018	6/28/2028	6/28/2018	6/28/2028	60,000,000	2,310,000	3
2/10/2016	2/10/2026	2/10/2016	2/10/2026	60,000,000	2,118,000	4
8/24/2017	8/24/2027	8/24/2017	8/24/2027	60,000,000	1,932,000	5
7/1/2019	7/1/2029	7/1/2019	7/1/2029	80,000,000	2,880,000	6
6/27/2014	6/30/2024	7/1/2014	6/30/2024	—	1,612,000	7
3/29/2019	3/29/2034	3/29/2019	3/29/2034	75,000,000	2,842,500	8
3/29/2019	3/29/2039	3/29/2019	3/29/2039	75,000,000	2,940,000	9
3/29/2019	3/29/2044	3/29/2019	3/29/2044	75,000,000	3,045,000	10
4/24/2020	4/24/2030	4/24/2020	4/24/2030	85,000,000	2,320,500	11
4/24/2020	4/24/2050	4/24/2020	4/24/2050	25,000,000	840,000	12
7/15/2020	7/15/2035	7/15/2020	7/15/2035	25,000,000	732,500	13
7/15/2020	7/15/2050	7/15/2020	7/15/2050	50,000,000	1,680,000	14
8/16/2021	8/15/2035	8/16/2021	8/15/2035	65,000,000	1,586,000	15
5/12/2022	5/12/2052	5/12/2022	5/12/2052	65,000,000	2,684,500	16
7/28/2022	7/28/2032	7/28/2022	7/28/2032	95,000,000	3,619,500	17
4/28/2023	4/28/2033	4/28/2023	4/28/2033	130,000,000	6,513,000	18
7/28/2023	7/28/2053	7/28/2023	7/28/2053	55,000,000	3,008,500	19
3/28/2024	3/28/2029	3/28/2024	3/28/2029	32,000,000	1,262,400	20
3/28/2024	3/28/2036	3/28/2024	3/28/2036	85,000,000	3,538,125	21
7/1/2024	7/1/2039	7/1/2024	7/1/2039	40,000,000	1,130,000	22
7/1/2024	7/1/2054	7/1/2024	7/1/2054	128,000,000	3,705,600	23
				1,458,198,000	58,777,386	24
						25
						26
				—	—	27
						28
						29
				—	—	30
						31
						32
				—	—	33
				1,458,198,000	58,777,386	34

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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FOOTNOTE DATA

Page 257, Row 34, Column (m)

	December 31, 2024
Interest (p. 257, ln. 34)	\$ 58,777,386
Capitalized Interest	(185,578)
Account 427 (p117, ln 62)	\$ 58,591,808

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	103,538,146
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		30,598,755
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		38,188,917
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		31,224,137
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		140,684,375
21		
22		
23		
24		
25		
26		
27	Federal Taxable Income (Loss)	417,306
28	Show Computation of Tax:	
29		
30	Regular Tax @ 21.00%	87,634
31	R&D Credit	(32,500)
32	Accrual to Return Adjustment to Current Income Tax Expense	(2,601,791)
33	Other Adjustment	(2,200)
34		
35		
36	Federal Tax Payable	(2,548,857)
37		
38		
39		
40		
41		
42		
43		
44		

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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FOOTNOTE DATA

Page 261, Row 5, Column (b)

	December 31, 2024
Contributions in Aid of Construction	<u>\$ 30,598,755</u>
Total	<u>\$ 30,598,755</u>

Page 261, Row 10, Column (b)

	December 31, 2024
Income Tax Expense	<u>27,113,625</u>
Tax Capitalized Interest	5,082,085
Non-Deductible Compensation	2,425,541
Loss on Reacquired Debt	1,298,226
Energy Efficiency	652,594
General Liability Self Insurance	585,098
Stock Compensation	297,267
Non-Deductible Meals	282,598
Lobbying	106,481
Other	345,402
Total	<u>\$ 38,188,917</u>

Page 261, Row 15, Column (b)

	December 31, 2024
AFUDC	<u>12,820,738</u>
Transmission Cost Recovery	10,427,506
Over/Under Return of Excess Deferrals	7,975,893
Total	<u>\$ 31,224,137</u>

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report 2024/Q4
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FOOTNOTE DATA

Page 261, Row 20, Column (b)

	December 31, 2024
Repairs Deduction	42,600,754
Depreciation	40,548,238
Loss on Asset Dispositions	26,052,042
Hurricane Beryl	20,958,229
State Tax	3,299,005
Prepaid Expenses	2,232,406
System Resiliency	2,060,103
Catastrophe Reserve Under Collection	749,192
AMS	457,092
Transmission Line Safety Inspections	382,859
Incentive Compensation	329,508
Circuit Segmentation	266,719
Pension	223,303
Post Retirement Benefits	186,168
Book Capitalized Interest	185,578
Rate Case Expense	148,394
Other	4,785
Total	\$ 140,684,375

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (g) and (h). The balancing of this page is not affected by the inclusion of these taxes.

Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	Type of Tax (b)	State (c)	Tax Year (d)	BALANCE AT BEGINNING		Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)
					Taxes Accrued (Account 236) (e)	Prepaid Taxes (Include in Account 165) (f)			
					December 31, 2023	December 31, 2023			
1.1		Income Tax		2024	11,022,466	—	(2,548,857)	8,411,729	(26,448)
1.2					—	—	—	—	—
2	Total Federal Tax				11,022,466	—	(2,548,857)	8,411,729	(26,448)
3.1		Income Tax	TX	2024	1,900,054	—	3,299,005	2,609,098	—
3.2					—	—	—	—	—
4	Total State Tax				1,900,054	—	3,299,005	2,609,098	—
5.1									
5.2									
6	Total Local Tax				—	—	—	—	—
7.1									
7.2									
8	Total Other Tax				—	—	—	—	—
9.1		Property Tax	TX	2021	4,621	—	—	4,621	—
9.2		Property Tax	TX	2023	24,628,698	—	—	24,628,698	—
9.3		Property Tax	TX	2024	—	—	27,829,667	—	—
10	Total Property Tax				24,633,319	—	27,829,667	24,633,319	—
11.1									
11.2									
12	Total Real Estate Tax				—	—	—	—	—
13.1	Federal	Unemployment Tax	TX	2023	587	—	—	587	—
13.2	Federal	Unemployment Tax	TX	2024	—	—	18,232	17,758	—
13.3	State	Unemployment Tax	TX	2023	290	—	—	290	—
13.4	State	Unemployment Tax	TX	2024	—	—	21,406	20,879	—
14	Total Unemployment				877	—	39,638	39,514	—
15.1		Sales And Use Tax	TX	2023	—	—	—	—	—
15.2		Sales And Use Tax	TX	2024	—	—	—	—	—
16	Tax				—	—	—	—	—
17.1									
17.2									
18	Total Income Tax				—	—	—	—	—
19.1									
19.2									
20	Total Excise Tax				—	—	2,838	11,350	—
21.1									
21.2									
22	Total Fuel Tax				—	—	—	—	—
23.1									
23.2									
24	Total Federal				—	—	—	—	—
25.1									
25.2									
26	Total Franchise Tax				—	—	—	—	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (d).
Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
Report in columns (l) through (o) how the taxes were distributed. Report in column (o) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (o) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (o) the taxes charged to utility plant or other balance sheet accounts.
For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (j) December 31, 2024	Prepaid Taxes (Incl. in Account 165) (k) December 31, 2024	Electric (Account 408.1, 409.1) (l)	Extraordinary Items (Account 409.3) (m)	Adjustments to Ret. Earnings (Account 439) (n)	Other (o)	
35,432	—	(2,548,858)	—	—	—	1.1
—	—	—	—	—	—	1.2
35,432	—	(2,548,858)	—	—	—	2
2,589,961	—	3,299,005	—	—	—	3.1
—	—	—	—	—	—	3.2
2,589,961	—	3,299,005	—	—	—	4
						5.1
						5.2
—	—	—	—	—	—	6
						7.1
						7.2
—	—	—	—	—	—	8
—	—	(4,647)	—	—	4,647	9.1
—	—	770	—	—	(770)	9.2
27,829,667	—	27,829,681	—	—	(14)	9.3
27,829,667	—	27,825,804	—	—	3,863	10
						11.1
						11.2
—	—	—	—	—	—	12
—	—	—	—	—	—	13.1
474	—	8,016	—	—	10,216	13.2
—	—	—	—	—	—	13.3
527	—	9,412	—	—	11,994	13.4
1,001	—	17,428	—	—	22,210	14
—	—	(1,346)	—	—	1,346	15.1
—	—	(14,610)	—	—	14,610	15.2
—	—	(15,956)	—	—	15,956	16
						17.1
						17.2
—	—	—	—	—	—	18
						19.1
						19.2
—	8,512	2,838	—	—	—	20
						21.1
						21.2
—	—	—	—	—	—	22
						23.1
						23.2
—	—	—	—	—	—	24
						25.1
						25.2
—	—	—	—	—	—	26

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (g) and (h). The balancing of this page is not affected by the inclusion of these taxes.

Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	Type of Tax (b)	State (c)	Tax Year (d)	BALANCE AT		Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)
					Taxes Accrued (Account 236) (e)	Prepaid Taxes (Include in Account 165) (f)			
					December 31, 2023	December 31, 2023			
27.1									
27.2									
28	Total Miscellaneous Other Tax				—	—	—	—	—
29.1									
29.2									
30	Total Other Federal Tax				—	—	—	—	—
31.1									
31.2									
32	Total Other State Tax				—	—	—	—	—
33.1									
33.2									
34	Total Other Property Tax				—	—	—	—	—
35.1									
35.2									
36	Total Other Use Tax				—	—	—	—	—
37.1									
37.2									
38	Total Other Advalorem Tax				—	—	—	—	—
39.1									
39.2									
40	Total Other License and Fees				—	—	—	—	—
41.1	FICA	Payroll Tax	TX	2023	115,566	—	—	115,566	—
41.2	FICA	Payroll Tax	TX	2024	—	—	3,725,730	3,725,730	—
42	Total Payroll Tax				115,566	—	3,725,730	3,841,296	—
43.1									
43.2									
44	Total Advalorem Tax				—	—	—	—	—
45.1									
45.2									
46	Total Other Allocated Tax				—	—	—	—	—
47.1									
47.2									
48	Total Severance Tax				—	—	—	—	—
49.1									
49.2									
50	Total Penalty Tax				—	—	—	—	—
51.1	Street Rental	Other Taxes and Fees	TX	2023	4,562,288	—	—	4,562,288	—
51.2	Street Rental	Other Taxes and Fees	TX	2024	—	—	19,073,835	14,498,066	—
51.3	Miscellaneous	Other Taxes and Fees	TX	2023	—	—	—	—	—
52	Total Other Taxes and Fees				4,562,288	—	19,073,835	19,060,354	—
53	TOTAL				42,234,570	—	51,421,856	58,606,660	(26,448)

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (d).
Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
Report in columns (l) through (o) how the taxes were distributed. Report in column (o) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (o) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (o) the taxes charged to utility plant or other balance sheet accounts.
For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (j) December 31, 2024	Prepaid Taxes (Incl. in Account 165) (k) December 31, 2024	Electric (Account 408.1, 409.1) (l)	Extraordinary Items (Account 409.3) (m)	Adjustments to Ret. Earnings (Account 439) (n)	Other (o)	
						27.1
						27.2
—	—	—	—	—	—	28
						29.1
						29.2
—	—	—	—	—	—	30
						31.1
						31.2
—	—	—	—	—	—	32
						33.1
						33.2
—	—	—	—	—	—	34
						35.1
						35.2
—	—	—	—	—	—	36
						37.1
						37.2
—	—	—	—	—	—	38
						39.1
						39.2
—	—	—	—	—	—	40
—	—	(81,467)	—	—	81,467	41.1
—	—	1,698,443	—	—	2,027,287	41.2
—	—	1,616,976	—	—	2,108,754	42
						43.1
						43.2
—	—	—	—	—	—	44
						45.1
						45.2
—	—	—	—	—	—	46
						47.1
						47.2
—	—	—	—	—	—	48
						49.1
						49.2
—	—	—	—	—	—	50
—	—	—	—	—	—	51.1
4,575,769	—	14,994,168	—	—	4,079,667	51.2
—	—	—	—	—	—	51.3
4,575,769	—	14,994,168	—	—	4,079,667	52
35,031,830	8,512	45,191,405	—	—	6,230,450	53

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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Page 262.1, Row 53, Column (i)

	December 31, 2024
FIN 48 Adjustment	<u>\$ (26,448)</u>

Page 263.1, Row 53, Column (o)

	December 31, 2024
Capitalized Payroll Tax:	<u>\$ 2,082,894</u>
Other Payroll Taxes posted to Other Balance Sheet Accounts:	48,070
Street Rental Fees Collected from Transmission Customers:	4,079,667
Property Tax Refund Posted to Other Balance Sheet Account:	3,863
Sales and Use Tax Posted to Other Balance Sheet Account :	15,956
	<u>\$ 6,230,450</u>

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Transmission Studies	29,336,946	Various	19,054,089	32,999,124	43,281,981
2	Distribution Studies	—			—	—
3	Legal Reserve	20,000				20,000
4	FIN 48 Liability	187,799		—	26,446	214,245
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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40						
41						
42						
43						
44						
45						
46						
47	TOTAL	29,544,745		19,054,089	33,025,570	43,516,226

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

- Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
- For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	177,311,617	28,139,495	8,133,052
3	Gas	—	—	—
4	Other (Specify)	—	—	—
5	TOTAL (Enter Total of lines 2 thru 4)	177,311,617	28,139,495	8,133,052
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	177,311,617	28,139,495	8,133,052
10	Classification of TOTAL			
11	Federal Income Tax	177,311,617	28,139,495	8,133,052
12	State Income Tax	—	—	—
13	Local Income Tax	—	—	—

NOTES

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
4,081	—	182.3	231,407	190	794,311	197,885,045	2
—	—		—		—	—	3
—	—		—		—	—	4
4,081	—		231,407		794,311	197,885,045	5
							6
							7
							8
4,081	—		231,407		794,311	197,885,045	9
							10
4,081	—	—	231,407		794,311	197,885,045	11
—	—		—		—	—	12
—	—		—		—	—	13

NOTES (Continued)

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3		29,110,256	16,604,711	9,162,082
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	29,110,256	16,604,711	9,162,082
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)	—	—	—
18	TOTAL Other	—	—	—
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	29,110,256	16,604,711	9,162,082
20	Classification of TOTAL			
21	Federal Income Tax	29,110,256	16,604,711	9,162,082
22	State Income Tax	—	—	—
23	Local Income Tax	—	—	—

NOTES

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
—	—	182.3	80,402		—	36,472,483	1
							2
							3
							4
							5
							6
							7
							8
—	—		80,402		—	36,472,483	9
							10
							11
							12
							13
							14
							15
							16
—	—		—		—	—	17
—	—		—		—	—	18
—	—		80,402		—	36,472,483	19
							20
—	—		80,402	—	—	36,472,483	21
—	—		—	—	—	—	22
—	—		—	—	—	—	23

NOTES (Continued)

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Income Tax Regulatory Liability	83,458,643	190/410	3,306,710	—	80,151,933
2						
3	Other Post Retirement Benefits	3,573,943	Various	1,038,702	53,537	2,588,778
4						
5	TCRF Over Recovery	5,159,489	456	6,106,664	947,175	—
6						
7	Excess Deferred Income Taxes	1,434,112	456	3,110,268	1,676,156	—
8	Over Recovery, Docket #48401	—				—
9						
10	Pension Non-qualified	5,938	Various	320,017	314,079	—
11						
12	Energy Efficiency 2024 Program Year	—	131	5,508,460	6,506,024	997,564
13	Energy Efficiency 2025 Program Year	—	131	1,408,060	1,076,180	(331,880)
14	Energy Efficiency Rate Case Expenses	—	928	63,998	—	(63,998)
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	93,632,125		20,862,879	10,573,151	83,342,397

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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	203,227,563	190,953,393
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	166,858,368	155,253,661
5	Large (or Ind.) (See Instr. 4)	35,299,805	45,507,474
6	(444) Public Street and Highway Lighting	3,822,149	3,465,017
7	(445) Other Sales to Public Authorities	3,506,512	3,312,102
8	(446) Sales to Railroads and Railways	—	—
9	(448) Interdepartmental Sales	—	—
10	TOTAL Sales to Ultimate Consumers	412,714,397	398,491,647
11	(447) Sales for Resale	—	—
12	TOTAL Sales of Electricity	412,714,397	398,491,647
13	(Less) (449.1) Provision for Rate Refunds	—	—
14	TOTAL Revenues Net of Prov. for Refunds	412,714,397	398,491,647
15	Other Operating Revenues		
16	(450) Forfeited Discounts	—	—
17	(451) Miscellaneous Service Revenues	1,996,895	1,894,287
18	(453) Sales of Water and Water Power	—	—
19	(454) Rent from Electric Property	1,815,796	1,845,116
20	(455) Interdepartmental Rents	113,695	141,372
21	(456) Other Electric Revenues	18,535,152	(2,812,108)
22	(456.1) Revenues from Transmission of Electricity of Others	157,048,678	135,831,421
23	(457.1) Regional Control Service Revenues	—	—
24	(457.2) Miscellaneous Revenues	—	—
25			
26	TOTAL Other Operating Revenues	179,510,216	136,900,088
27	TOTAL Electric Operating Revenues	592,224,613	535,391,735

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
3,201,993	3,248,435	233,056	228,313	2
				3
5,541,838	4,925,546	41,961	41,765	4
8,219,736	7,681,717	102	105	5
22,035	22,468	1,138	1,131	6
77,722	77,447	746	750	7
—	—	—	—	8
—	—	—	—	9
17,063,324	15,955,613	277,003	272,064	10
—	—	—	—	11
17,063,324	15,955,613	277,003	272,064	12
—	—	—	—	13
17,063,324	15,955,613	277,003	272,064	14

Line 12, column (b) includes \$(954,000) of unbilled revenues

Line 12, column (d) includes (21,074) MWH relating to unbilled revenues

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
Residential Sales						
1	6.1.1.1 Residential Service	3,222,318	203,918,070	232,282	13,872	0.0633
2	6.1.1.2 Secondary Service < 5 KW	804	103,493	774	1,039	0.1287
3	Residential Sales Billed	3,223,122	204,021,563	233,056	13,830	0.0633
4	Residential Sales Unbilled	(21,129)	(794,000)			
5	Residential Sales Total	3,201,993	203,227,563	233,056	13,739	0.0635
Commercial Sales						
6	6.1.1.2 Secondary Service < 5 KW	46,851	4,250,180	15,027	3,118	0.0907
7	6.1.1.3 Secondary Service > 5 KW	2,296,162	115,010,049	22,842	100,524	0.0501
8	6.1.1.4 Primary Service	2,997,197	46,184,769	664	4,513,851	0.0154
9	6.1.1.5 Transmission Service	190,921	276,188	9	21,213,444	0.0014
10	6.1.1.6 Lighting Service	10,652	1,375,182	3,419	3,116	0.1291
11	Commercial Sales Billed	5,541,783	167,096,368	41,961	132,070	0.0302
12	Commercial Sales Unbilled	55	(238,000)			
13	Commercial Sales Total	5,541,838	166,858,368	41,961	132,071	0.0301
Industrial Sales						
14	6.1.1.3 Secondary Service > 5 KW	37,033	1,341,382	17	2,178,412	0.0362
15	6.1.1.4 Primary Service	91,774	1,607,596	11	8,343,091	0.0175
16	6.1.1.5 Transmission Service	8,090,929	32,265,827	74	109,336,878	0.0040
17	Industrial Sales Billed	8,219,736	35,214,805	102	80,585,647	0.0043
18	Industrial Sales Unbilled		85,000			
19	Industrial Sales Total	8,219,736	35,299,805	102	80,585,647	0.0043
Commercial and Industrial Sales						
20	6.1.1.2 Secondary Service < 5 KW	46,851	4,250,180	15,027	3,118	0.0907
21	6.1.1.3 Secondary Service > 5 KW	2,333,195	116,351,431	22,859	102,069	0.0499
22	6.1.1.4 Primary Service	3,088,971	47,792,365	675	4,576,253	0.0155
23	6.1.1.5 Transmission Service	8,281,850	32,542,015	83	99,781,325	0.0039
24	6.1.1.6 Lighting Service	10,652	1,375,182	3,419	3,116	0.1291
25	Commercial and Industrial Sales Billed	13,761,519	202,311,173	42,063	327,164	0.0147
26	Commercial and Industrial Sales Unbilled	55	(153,000)	—		
27	Commercial and Industrial Sales Total	13,761,574	202,158,173	42,063	327,166	0.0147
Public Street and Highway Lighting Sales						
28	6.1.1.6 Lighting Service	22,035	3,816,149	1,138	19,363	0.1732
29	Public Street and Highway Lighting Sales Billed	22,035	3,816,149	1,138	19,363	0.1732
30	Public Street and Highway Lighting Sales Unbilled		6,000			
31	Public Street and Highway Lighting Sales Total	22,035	3,822,149	1,138	19,363	0.1735

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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
Other Sales to Public Authorities						
32	6.1.1.2 Secondary Service < 5 KW	287	32,362	157	1,828	0.1128
33	6.1.1.3 Secondary Service > 5 KW	64,095	3,238,922	582	110,129	0.0505
34	6.1.1.4 Primary Service	13,340	248,228	7	1,905,714	0.0186
35	Other Sales to Public Authorities Billed	77,722	3,519,512	746	104,185	0.0453
36	Other Sales to Public Authorities Unbilled		(13,000)			
37	Other Sales to Public Authorities Total	77,722	3,506,512	746	104,185	0.0451
Sales to Railroads and Railways						
38	Sales to Railroads and Railways Billed					
39	Sales to Railroads and Railways Unbilled					
40	Sales to Railroads and Railways Total					
Interdepartmental Sales						
41	Interdepartmental Sales Billed					
42	Interdepartmental Sales Unbilled					
43	Interdepartmental Sales Total					
Provision for Rate Refunds						
44	Provision for Rate Refunds Billed					
45	Provision for Rate Refunds Unbilled					
46	Provision for Rate Refunds Total					
Total Sales						
47	TOTAL Billed	17,084,398	413,668,397	277,003	61,676	0.0242
48	Total Unbilled Rev.(See Instr. 6)	(21,074)	(954,000)	—	—	—
49	TOTAL	17,063,324	412,714,397	277,003	61,600	0.0242

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	—	—
5	(501) Fuel	—	—
6	(502) Steam Expenses	—	—
7	(503) Steam from Other Sources	—	—
8	(Less) (504) Steam Transferred-Cr.	—	—
9	(505) Electric Expenses	—	—
10	(506) Miscellaneous Steam Power Expenses	—	—
11	(507) Rents	—	—
12	(509) Allowances	—	—
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	—	—
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	—	—
16	(511) Maintenance of Structures	—	—
17	(512) Maintenance of Boiler Plant	—	—
18	(513) Maintenance of Electric Plant	—	—
19	(514) Maintenance of Miscellaneous Steam Plant	—	—
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	—	—
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	—	—
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	—	—
25	(518) Fuel	—	—
26	(519) Coolants and Water	—	—
27	(520) Steam Expenses	—	—
28	(521) Steam from Other Sources	—	—
29	(Less) (522) Steam Transferred-Cr.	—	—
30	(523) Electric Expenses	—	—
31	(524) Miscellaneous Nuclear Power Expenses	—	—
32	(525) Rents	—	—
33	TOTAL Operation (Enter Total of lines 24 thru 32)	—	—
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	—	—
36	(529) Maintenance of Structures	—	—
37	(530) Maintenance of Reactor Plant Equipment	—	—
38	(531) Maintenance of Electric Plant	—	—
39	(532) Maintenance of Miscellaneous Nuclear Plant	—	—
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	—	—
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	—	—
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering	—	—
45	(536) Water for Power	—	—
46	(537) Hydraulic Expenses	—	—
47	(538) Electric Expenses	—	—
48	(539) Miscellaneous Hydraulic Power Generation Expenses	—	—
49	(540) Rents	—	—
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	—	—
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	—	—
54	(542) Maintenance of Structures	—	—

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)			
If the amount for previous year is not derived from previously reported figures, explain in footnote.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
55	(543) Maintenance of Reservoirs, Dams, and Waterways	—	—
56	(544) Maintenance of Electric Plant	—	—
57	(545) Maintenance of Miscellaneous Hydraulic Plant	—	—
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	—	—
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	—	—
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	—	—
63	(547) Fuel	—	—
64	(548) Generation Expenses	—	—
64.1	(548.1) Operation of Energy Storage Equipment	—	—
65	(549) Miscellaneous Other Power Generation Expenses	—	—
66	(550) Rents	—	—
67	TOTAL Operation (Enter Total of lines 62 thru 66)	—	—
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	—	—
70	(552) Maintenance of Structures	—	—
71	(553) Maintenance of Generating and Electric Plant	—	—
71.1	(553.1) Maintenance of Energy Storage Equipment	—	—
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	—	—
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	—	—
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	—	—
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	—	—
76.1	(555.1) Power Purchased for Storage Operations	—	—
77	(556) System Control and Load Dispatching	—	—
78	(557) Other Expenses	—	—
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	—	—
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	—	—
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	635,400	797,725
84			
85	(561.1) Load Dispatch-Reliability	1,030,585	896,017
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	—	—
87	(561.3) Load Dispatch-Transmission Service and Scheduling	—	—
88	(561.4) Scheduling, System Control and Dispatch Services	—	—
89	(561.5) Reliability, Planning and Standards Development	—	—
90	(561.6) Transmission Service Studies	—	—
91	(561.7) Generation Interconnection Studies	—	—
92	(561.8) Reliability, Planning and Standards Development Services	—	—
93	(562) Station Expenses	790,261	1,079,201
93.1	(562.1) Operation of Energy Storage Equipment	—	—
94	(563) Overhead Lines Expenses	335,476	403,809
95	(564) Underground Lines Expenses	—	—
96	(565) Transmission of Electricity by Others	148,695,135	138,369,155
97	(566) Miscellaneous Transmission Expenses	1,033,704	965,626
98	(567) Rents	8,126	8,067
99	TOTAL Operation (Enter Total of lines 83 thru 98)	152,528,687	142,519,600
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	154,852	108,831
102	(569) Maintenance of Structures	—	—
103	(569.1) Maintenance of Computer Hardware	—	—
104	(569.2) Maintenance of Computer Software	—	—

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)			
If the amount for previous year is not derived from previously reported figures, explain in footnote.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
105	(569.3) Maintenance of Communication Equipment	—	—
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant	—	—
107	(570) Maintenance of Station Equipment	376,438	396,079
107.1	(570.1) Maintenance of Energy Storage Equipment	—	—
108	(571) Maintenance of Overhead Lines	91,147	128,622
109	(572) Maintenance of Underground Lines	—	—
110	(573) Maintenance of Miscellaneous Transmission Plant	—	—
111	TOTAL Maintenance (Total of lines 101 thru 110)	622,437	633,532
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	153,151,124	143,153,132
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision	—	—
116	(575.2) Day-Ahead and Real-Time Market Facilitation	—	—
117	(575.3) Transmission Rights Market Facilitation	—	—
118	(575.4) Capacity Market Facilitation	—	—
119	(575.5) Ancillary Services Market Facilitation	—	—
120	(575.6) Market Monitoring and Compliance	—	—
121	(575.7) Market Facilitation, Monitoring and Compliance Services	—	—
122	(575.8) Rents	—	—
123	Total Operation (Lines 115 thru 122)	—	—
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements	—	—
126	(576.2) Maintenance of Computer Hardware	—	—
127	(576.3) Maintenance of Computer Software	—	—
128	(576.4) Maintenance of Communication Equipment	—	—
129	(576.5) Maintenance of Miscellaneous Market Operation Plant	—	—
130	Total Maintenance (Lines 125 thru 129)	—	—
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)	—	—
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	424,430	595,240
135	(581) Load Dispatching	841,322	944,865
136	(582) Station Expenses	970,829	1,040,134
137	(583) Overhead Line Expenses	1,216,760	1,222,038
138	(584) Underground Line Expenses	944,758	870,804
138.1	(584.1) Operation of Energy Storage Equipment	—	—
139	(585) Street Lighting and Signal System Expenses	98,946	77,058
140	(586) Meter Expenses	1,845,774	1,612,829
141	(587) Customer Installations Expenses	154,312	105,999
142	(588) Miscellaneous Expenses	6,978,596	5,486,642
143	(589) Rents	71,438	72,936
144	TOTAL Operation (Enter Total of lines 134 thru 143)	13,547,165	12,028,545
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	235,247	279,784
147	(591) Maintenance of Structures	229,430	269,281
148	(592) Maintenance of Station Equipment	3,442,391	3,107,028
148.1	(592.2) Maintenance of Energy Storage Equipment	—	—
149	(593) Maintenance of Overhead Lines	14,378,672	15,624,845
150	(594) Maintenance of Underground Lines	1,411,736	1,433,019
151	(595) Maintenance of Line Transformers	65,693	80,169
152	(596) Maintenance of Street Lighting and Signal Systems	441,251	369,414
153	(597) Maintenance of Meters	161,959	107,491
154	(598) Maintenance of Miscellaneous Distribution Plant	2,755	2,159
155	TOTAL Maintenance (Total of lines 146 thru 154)	20,369,134	21,273,190

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)			
If the amount for previous year is not derived from previously reported figures, explain in footnote.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	33,916,299	33,301,735
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	758,547	799,830
160	(902) Meter Reading Expenses	342,233	1,238,253
161	(903) Customer Records and Collection Expenses	1,268,044	1,162,565
162	(904) Uncollectible Accounts	—	35,923
163	(905) Miscellaneous Customer Accounts Expenses	564,690	453,761
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	2,933,514	3,690,332
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	21,278	56,176
168	(908) Customer Assistance Expenses	—	—
169	(909) Informational and Instructional Expenses	5,751	394
170	(910) Miscellaneous Customer Service and Informational Expenses	14,800	20,328
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	41,829	76,898
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	—	—
175	(912) Demonstrating and Selling Expenses	—	3,891
176	(913) Advertising Expenses	21,639	12,288
177	(916) Miscellaneous Sales Expenses	—	—
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	21,639	16,179
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	19,848,075	19,344,468
182	(921) Office Supplies and Expenses	7,953,855	5,452,480
183	(Less) (922) Administrative Expenses Transferred-Credit	7,068,025	5,592,160
184	(923) Outside Services Employed	10,255,965	10,543,924
185	(924) Property Insurance	1,335,860	1,870,875
186	(925) Injuries and Damages	3,763,741	3,944,462
187	(926) Employee Pensions and Benefits	7,109,345	6,280,279
188	(927) Franchise Requirements	—	—
189	(928) Regulatory Commission Expenses	6,453,180	6,574,935
190	(929) (Less) Duplicate Charges-Cr.	—	—
191	(930.1) General Advertising Expenses	—	—
192	(930.2) Miscellaneous General Expenses	1,573,506	821,250
193	(931) Rents	175,348	189,821
194	TOTAL Operation (Enter Total of lines 181 thru 193)	51,400,850	49,430,334
195	Maintenance		
196	(935) Maintenance of General Plant	188,013	275,484
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	51,588,863	49,705,818
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	241,653,268	229,944,094

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	American Electric Power Services			
2	Bandera Electric Coop			
3	Bluebonnet Electric Coop			
4	Brazos Electric Power Cooperative			
5	Centerpoint			
6	Central Texas Electric Coop			
7	City of Austin			
8	City of Bartlett			
9	City of Bastrop			
10	City of Bellville			
11	City of Boerne			
12	City of Brady			
13	City of Brenham			
14	City of Bridgeport			
15	City of Bryan			
16	City of Burnet			
17	City of Castroville			
18	City of Coleman			
19	City of College Station			
20	City of Cuero			
21	City of Denton			
22	City of Farmersville			
23	City of Flatonia			
24	City of Fredericksburg			
25	City of Garland			
26	City of Georgetown			
27	City of Giddings			
28	City of Goldsmith			
29	City of Goldthwaite			
30	City of Gonzales			
31	City of Hallettsville			
32	City of Hearne			
33	City of Hempstead			
34	City of Lampasas			
35	City of Lexington			
36	City of Llano			
37	City of Lockhart			
38	City of Luling			
39	City of Mason			

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
—	—	13,155,692	13,155,692	1
—	—	353,787	353,787	2
—	—	1,322,521	1,322,521	3
—	—	8,374,711	8,374,711	4
—	—	40,182,874	40,182,874	5
—	—	356,059	356,059	6
—	—	5,626,993	5,626,993	7
—	—	6,018	6,018	8
—	—	37,247	37,247	9
—	—	28,774	28,774	10
—	—	74,356	74,356	11
—	—	29,755	29,755	12
—	—	118,572	118,572	13
—	—	29,484	29,484	14
—	—	832,707	832,707	15
—	—	40,240	40,240	16
—	—	15,410	15,410	17
—	—	19,440	19,440	18
—	—	452,823	452,823	19
—	—	45,352	45,352	20
—	—	770,442	770,442	21
—	—	15,663	15,663	22
—	—	12,541	12,541	23
—	—	70,976	70,976	24
—	—	945,887	945,887	25
—	—	355,587	355,587	26
—	—	27,106	27,106	27
—	—	2,160	2,160	28
—	—	11,406	11,406	29
—	—	37,722	37,722	30
—	—	19,087	19,087	31
—	—	23,257	23,257	32
—	—	25,648	25,648	33
—	—	50,803	50,803	34
—	—	5,823	5,823	35
—	—	22,375	22,375	36
—	—	56,701	56,701	37
—	—	27,153	27,153	38
—	—	13,008	13,008	39

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')				
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
40	City of Moulton			
41	City of Robstown Utility System			
42	City of San Marcos			
43	City of San Saba			
44	City of Sanger			
45	City of Schulenberg			
46	City of Seguin			
47	City of Seymour			
48	City of Shiner			
49	City of Smithville			
50	City of Waelder			
51	City of Weimer			
52	City of Yoakum			
53	City Public Service of San Antonio			
54	Fayette Electric Coop			
55	Floresville Electric Power System			
56	Golden Spread Electric Coop			
57	Granbury			
58	Greenville Electric Utility System			
59	Guadalupe Valley Electric Coop			
60	Hamilton County Electric Coop			
61	Kerrville Public Utility Board			
62	Lagrange Utilities			
63	Lamar County Electric Coop			
64	Lubbock Power & Light			
65	New Braunfels Utilities			
66	Oncor			
67	Pedernales Electric Coop			
68	Public Utility Board of Brownsville			
69	Rayburn County Electric			
70	Rio Grande Electric Coop			
71	South Texas Electric Coop			
72	Tex-LA Electric Coop			
73	Weatherford			
74	Western Farmers Electric Coop			
75	Whiteboro			
76	Wind Energy Texas Transmission			
77	Wood County Cooperative			
78	Altop Energy Trading Texas LLC (SQ3)			
79	Boston Energy Trading and Marketing LLC			
80	Conoco Phillips Company (QSE)			
81	CWP Energy Inc (QSE)			
82	Dynasty Power Inc (QSE)			
83	Dynasty Power Inc (SE)			
84	Elektron Power LLC (QSE)			
85	ENEL - North America			
86	ETC Endure Energy LLC (QSE)			
87	ETC Endure Energy LLC (SQ1)			
88	Guzman Energy			

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)(Continued)
(Including transactions referred to as 'wheeling')

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Continued) (Including transactions referred to as 'wheeling')				
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
—	—	5,189	5,189	40
—	—	39,958	39,958	41
—	—	261,107	261,107	42
—	—	20,342	20,342	43
—	—	31,608	31,608	44
—	—	28,622	28,622	45
—	—	143,137	143,137	46
—	—	15,156	15,156	47
—	—	20,240	20,240	48
—	—	19,771	19,771	49
—	—	9,482	9,482	50
—	—	16,068	16,068	51
—	—	39,925	39,925	52
—	—	10,271,484	10,271,484	53
—	—	139,650	139,650	54
—	—	173,890	173,890	55
—	—	661,681	661,681	56
—	—	47,635	47,635	57
—	—	229,367	229,367	58
—	—	982,800	982,800	59
—	—	91,847	91,847	60
—	—	232,564	232,564	61
—	—	32,770	32,770	62
—	—	106,260	106,260	63
—	—	1,148,857	1,148,857	64
—	—	687,248	687,248	65
—	—	56,875,397	56,875,397	66
—	—	3,759,176	3,759,176	67
—	—	554,336	554,336	68
—	—	2,393,292	2,393,292	69
—	—	304,946	304,946	70
—	—	3,213,640	3,213,640	71
—	—	360,131	360,131	72
—	—	193,664	193,664	73
—	—	(13,675)	(13,675)	74
—	—	19,116	19,116	75
—	—	(119)	(119)	76
—	—	(1,497)	(1,497)	77
—	—	549	549	78
—	—	340	340	79
—	—	26	26	80
—	—	21,381	21,381	81
—	—	11,585	11,585	82
—	—	18,965	18,965	83
—	—	325	325	84
—	—	56	56	85
—	—	1,017	1,017	86
—	—	7,128	7,128	87
—	—	10,813	10,813	88

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')				
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
89	MacQuarie Energy LLC LS1 (SQ1)			
90	MAG Energy Solutions Inc (SQ1)			
91	MERELEC USA LLC			
92	MFT Energy US Power LLC			
93	Rainbow Energy Marketing Corp (QSE)			
94	Rainbow Energy Marketing Corp (SQ1)			
95	Rainbow Energy Marketing Corp (SQ4)			
96	Second Foundation US Trading LLC (QSE)			
97	Sempra Gas and Power Marketing LLC (QSE)			
98	TEC Energy, Inc (QSE)			
99	Tenaska Power Services Co (QSE)			
100	Trafigura Trading LLC (QSE)			
101	TransAlta Corporation			
102	Westar (SQ1)			
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137	TOTAL			

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)(Continued)
(Including transactions referred to as 'wheeling')

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						89
						90
						91
						92
						93
						94
						95
						96
						97
						98
						99
						100
						101
						102
						103
						104
						105
						106
						107
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						135
						136
			—		—	—
						137

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Continued) (Including transactions referred to as 'wheeling')				
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
—	—	6,894	6,894	89
—	—	99,943	99,943	90
—	—	161	161	91
—	—	10,001	10,001	92
—	—	49,682	49,682	93
—	—	15,409	15,409	94
—	—	6,546	6,546	95
—	—	44,704	44,704	96
—	—	4,665	4,665	97
—	—	738	738	98
—	—	7,348	7,348	99
—	—	308	308	100
—	—	3,128	3,128	101
—	—	15,741	15,741	102
			—	103
			—	104
			—	105
			—	106
			—	107
			—	108
			—	109
			—	110
			—	111
			—	112
				113
				114
				115
				116
				117
				118
				119
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				121
				122
				123
				124
				125
				126
				127
				128
				129
				130
				131
				132
				133
				134
				135
—	—	157,048,678	157,048,678	137

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report <u>2024/Q4</u>
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FOOTNOTE DATA

Page 330, Row 1, Column (m)

Texas uses a "postage stamp" method of transmission pricing within ERCOT (Electric Reliability Council of Texas) transmission system.

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

- Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
- In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
- In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
- Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
- Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
- Enter "TOTAL" in column (a) as the last line.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	AMERICAN ELECTRIC POWER SERVICES	OS			—	—	20,156,892	20,156,892
2	BANDERA ELECTRIC COOP	OS			—	—	183,055	183,055
3	BRAZOS ELECTRIC POWER COOPERATIVE	OS			—	—	4,353,687	4,353,687
4	CHEROKEE COUNTY ELECTRIC COOP ASSOC	OS			—	—	6,662	6,662
5	CITY OF AUSTIN	OS			—	—	2,875,392	2,875,392
6	CITY OF BRYAN	OS			—	—	1,229,415	1,229,415
7	CITY OF COLLEGE STATION	OS			—	—	(576,763)	(576,763)
8	CITY OF DENTON	OS			—	—	789,978	789,978
9	CITY OF GARLAND	OS			—	—	2,093,647	2,093,647
10	CITY PUBLIC SERVICE OF SAN ANTONIO	OS			—	—	7,315,538	7,315,538
11	CROSS TEXAS TRANSMISSION LLC	OS			—	—	2,271,137	2,271,137
12	DEEP EAST TEXAS ELECTRIC COOP	OS			—	—	4,819	4,819
13	EAST TEXAS ELECTRIC COOP	OS			—	—	(23,437)	(23,437)
14	ELECTRIC TRANSMISSION TEXAS LLC	OS			—	—	10,308,358	10,308,358
15	FANNIN ELECTRIC COOP	OS			—	—	5,049	5,049
16	FARMERS ELECTRIC COOP	OS			—	—	22,808	22,808
17	FLORESVILLE ELECTRIC POWER SYSTEM	OS			—	—	14,842	14,842
18	GOLDEN SPREAD ELECTRIC COOP	OS			—	—	265,934	265,934
19	GRAYSON-COLLIN ELECTRIC COOP	OS			—	—	52,356	52,356
20	GREENVILLE ELECTRIC UTILITY SYSTEM	OS			—	—	111,032	111,032
21	HOUSTON COUNTY ELECTRIC COOP	OS			—	—	52,204	52,204
22	LAMAR COUNTY ELECTRIC COOP	OS			—	—	9,525	9,525
23	LONE STAR TRANSMISSION CAPITAL LLC	OS			—	—	3,129,949	3,129,949
24	LOWER COLORADO RIVER AUTHORITY	OS			—	—	20,016,940	20,016,940
25	Lubbock Power & Light	OS			—	—	602,782	602,782

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

- Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
- In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
- In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
- Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
- Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
- Enter "TOTAL" in column (a) as the last line.
- Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
26	PUBLIC UTILITY BOARD OF BROWNSVILLE	OS			—	—	319,907	319,907
27	RAYBURN COUNTRY ELECTRIC	OS			—	—	1,701,974	1,701,974
28	RELIANT ENERGY HL&P	OS			—	—	18,036,779	18,036,779
29	RIO GRANDE ELECTRIC COOP	OS			—	—	22,711	22,711
30	SAN BERNARD ELECTRIC COOP	OS			—	—	131,466	131,466
31	SAN MIGUEL ELECTRIC COOPERATIVE, INC.	OS			—	—	47,226	47,226
32	SHARYLAND UTILITIES	OS			—	—	1,297,928	1,297,928
33	SOUTH TEXAS ELECTRIC COOP	OS			—	—	2,978,142	2,978,142
34	TEXAS MUNICIPAL POWER AGENCY	OS			—	—	1,003,158	1,003,158
35	TEXAS UTILITIES (TXU)	OS			—	—	44,693,265	44,693,265
36	TRINITY VALLEY ELECTRIC COOP	OS			—	—	24,678	24,678
37	Wind Energy Texas Transmission	OS			—	—	3,161,726	3,161,726
38	WOOD COUNTY COOPERATIVE	OS			—	—	4,374	4,374
39								—
40								—
41								—
42								—
43								—
44								—
45								—
46								—
47								—
48								—
49								—
50								
51								
52	TOTAL		—	—	—	—	148,695,135	148,695,135

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report <u>2024/Q4</u>
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FOOTNOTE DATA

Page 332, Row 1, Column (g)

Texas uses a "postage stamp" method of transmission pricing within ERCOT (Electric Reliability Council of Texas) transmission system.

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	461,696
2	Nuclear Power Research Expenses	—
3	Other Experimental and General Research Expenses	—
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	—
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	—
6	Business, Civic and Professional Expenditures	556,986
7	Legal Expenses	476,331
8	BOD/Annual Shareholder's Meeting	96,716
9	Various	(18,223)
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46	TOTAL	1,573,506

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant	—	—	2,108,280	—	2,108,280
2	Steam Production Plant	—	—	—	—	—
3	Nuclear Production Plant	—	—	—	—	—
4	Hydraulic Production Plant-Conventional	—	—	—	—	—
5	Hydraulic Production Plant-Pumped Storage	—	—	—	—	—
6	Other Production Plant	—	—	—	—	—
7	Transmission Plant	39,647,511	—	—	—	39,647,511
8	Distribution Plant	79,221,835	134	—	—	79,221,969
9	Regional Transmission and Market Operation	—	—	—	—	—
10	General Plant	3,971,230	295	106,904	—	4,078,429
11	Common Plant - Electric	—	—	—	—	—
12	Total	122,840,576	429	2,215,184	—	125,056,189

B. Basis for Amortization Charges

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
13	Transmission						
14	350 TX	8,255			— %		
15	350.1 TX	15,318	65	— %	4 %	SQ	43.03
16	352 TX	59,323	49	— %	2 %	R0.5	47.9
17	353 TX	360,950	45	(10)%	3 %	R2.5	30.69
18	354 TX	11,972	54	(15)%	4 %	R4	40.58
19	355 TX	492,410	46	(100)%	5 %	R2	40.14
20	356 TX	210,445	54	(100)%	4 %	R2.5	44.2
21	359 TX	554			2 %		
22	SUBTOTAL	1,159,227					
23							
24							
25	Distribution						
26	360 TX	10,315			— %		
27	360.1 TX	2,851	60	— %	1 %	SQ	52.72
28	361 TX	19,735	49	(20)%	3 %	R0.5	31.52
29	362 TX	808,930	42	(10)%	3 %	R2.5	32.33
30	364 TX	438,139	42	(100)%	5 %	R0.5	33.1
31	365 TX	398,996	44	(100)%	5 %	R0.5	32.85
32	366 TX	75,591	43	(20)%	3 %	R3	27.16
33	367 TX	166,223	40	(3)%	5 %	R2.5	27.8
34	368 TX	197,012	47	— %	3 %	R1	36.42
35	369 TX	44,360	37	(100)%	6 %	R2	20.44
36	369.1 TX	62,412	41	(100)%	6 %	S4	26.39
37	370 TX	5,565	10	(5)%	18 %	R1	5.21
38	370.1 TX	9	24	(5)%	6 %	R5	16.51
39	370.3 AMS	6,452	27	(2)%	11 %	R1	7
40	370.4 AMS	55,048			11 %		
41	371 TX	2,427	16	(20)%	14 %	R1.5	3.64
42	371.1 TX	1,669	13	(10)%	14 %	S0.5	3.02
43	373 TX	27,150	28	(20)%	6 %	R0.5	21.15
44	SUBTOTAL	2,322,884					
45							
46							
47	General Plant						
48	389 TX	10,444			— %		
49	390 GO	59,154			3 %	R2	46.65
50	390 TX	74			2 %	R2	46.65
51	391 TX	2,557			6 %	L2	4.4
52	391.1 TX	3,113			14 %	L4	1.13
53	391.3 GO	620			13 %	SQ	3.38
54	391.3 TX	11,854			13 %	SQ	3.38
55	392 GO	1,927			10 %	L4	6.72
56	392.1 TX	29			8 %	R2.5	6.01
57	392.2 TX	2,665			4 %	L4	11.75
58	392.4 TX	0			50 %		0
59	393 TX	171			3 %		
60	394 GO	7			4 %	S6	19.48
61	394 TX	17,967			3 %	S6	19.48

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
62	396 TX	2,636,000			12 %	L4	9.52
63	397 TX	14,684			13 %	SQ	4.42
64	397.1 TX	855			13 %	SQ	3.04
65	397.3 TX	28			8 %		
66	398 TX	336			5 %	SQ	18.01
67	SUBTOTAL	129,121					
68	TOTAL	3,611,232					
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Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1					
2	Docket # 41901 - Non-Standard Metering		50,512	50,512	101,256
3					
4	Energy Efficiency		6,402,425	6,402,425	50,909
5					
6	Distribution Cost Recovery Factor		—	—	—
7					
8	Miscellaneous		243	243	
9					
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46	TOTAL	—	6,453,180	6,453,180	152,165

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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REGULATORY COMMISSION EXPENSES (Continued)							
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.							
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.							
5. Minor items (less than \$25,000) may be grouped.							
EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
			—	928	50,510	50,746	2
							3
Distribution	186/254	77,126	39,368	928	90,277	—	4
							5
Distribution	186	226,201				—	6
							7
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		303,327	39,368		140,787	50,746	46

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	—		
4	Transmission	1,970,047		
5	Regional Market	—		
6	Distribution	5,770,627		
7	Customer Accounts	2,146,395		
8	Customer Service and Informational	6,999		
9	Sales	—		
10	Administrative and General	13,016,403		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	22,910,471		
12	Maintenance			
13	Production	—		
14	Transmission	452,871		
15	Regional Market	—		
16	Distribution	10,576,826		
17	Administrative and General	—		
18	TOTAL Maintenance (Total of lines 13 thru 17)	11,029,697		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	—		
21	Transmission (Enter Total of lines 4 and 14)	2,422,918		
22	Regional Market (Enter Total of Lines 5 and 15)	—		
23	Distribution (Enter Total of lines 6 and 16)	16,347,453		
24	Customer Accounts (Transcribe from line 7)	2,146,395		
25	Customer Service and Informational (Transcribe from line 8)	6,999		
26	Sales (Transcribe from line 9)	—		
27	Administrative and General (Enter Total of lines 10 and 17)	13,016,403		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	33,940,168	—	33,940,168
29	Gas			
30	Operation			
31	Production-Manufactured Gas	—		
32	Production-Nat. Gas (Including Expl. and Dev.)	—		
33	Other Gas Supply	—		
34	Storage, LNG Terminaling and Processing	—		
35	Transmission	—		
36	Distribution	—		
37	Customer Accounts	—		
38	Customer Service and Informational	—		
39	Sales	—		
40	Administrative and General	—		
41	TOTAL Operation (Enter Total of lines 31 thru 40)	—		
42	Maintenance			
43	Production-Manufactured Gas	—		
44	Production-Natural Gas (Including Exploration and Development)	—		
45	Other Gas Supply	—		
46	Storage, LNG Terminaling and Processing	—		
47	Transmission	—		

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution	—		
49	Administrative and General	—		
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	—		
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)	—		
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32 and 44)	—		
54	Other Gas Supply (Enter Total of lines 33 and 45)	—		
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru 47)	—		
56	Transmission (Lines 35 and 47)	—		
57	Distribution (Lines 36 and 48)	—		
58	Customer Accounts (Line 37)	—		
59	Customer Service and Informational (Line 38)	—		
60	Sales (Line 39)	—		
61	Administrative and General (Lines 40 and 49)	—		
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	—	—	—
63	Other Utility Departments	—	—	—
64	Operation and Maintenance	—	—	—
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	33,940,168	—	33,940,168
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	11,178,545	13,473,624	24,652,169
69	Gas Plant	—	—	—
70	Other (provide details in footnote):	—	—	—
71	TOTAL Construction (Total of lines 68 thru 70)	11,178,545	13,473,624	24,652,169
72	Plant Removal (By Utility Departments)			
73	Electric Plant	1,838,542	—	1,838,542
74	Gas Plant	—	—	—
75	Other (provide details in footnote):	—	—	—
76	TOTAL Plant Removal (Total of lines 73 thru 75)	1,838,542	—	1,838,542
77	Other Accounts (Specify, provide details in footnote):	1,519,447	—	1,519,447
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	1,519,447	—	1,519,447
96	TOTAL SALARIES AND WAGES	48,476,702	13,473,624	61,950,326

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report <u>2024/Q4</u>
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FOOTNOTE DATA

Page 355, Row 77, Column (b)

	December 31, 2024
Energy efficiency admin	\$ 310,158
Mutual assistance work	1,135,565
Political, Civic, Social work	35,330
Other Deferred Credits - Transmission Studies	38,394
	\$ 1,519,447

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
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- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Central Texas							
2	TNP One	Twin Oak	345	345	Steel Tower	18.1	—	2
3	Bosque Switch	Lake Whitney	138	138	Pole	0.6	0.2	1
4	Bosque Switch	Olsen	138	138	Frame	14.6	—	1
5	Lake Whitney	Oncor Whitney	138	138	Frame	0.1	—	1
6	Blackjack	Switch	138	138	Pole	0.2	—	1
7	69 kV Transmission					219.5	0.3	30
8								
9	North Texas							
10	Talco West Tap	Talco West	138	138	Pole	1.8	—	1
11	Westminster Tap	Westminster	138	138	Pole	3.7	—	1
12	Blossom Tap	Blossom	138	138	Pole	—	—	1
13	Climax	Thistle	138	138	Pole	—	—	1
14	Thistle	Longneck	138	138	Pole	4.0	—	1
15	Thistle	Greenbriar	138	138	Pole	0.1	—	2
16	Lakepointe	Jones St Tap	138	138	Pole	0.3	—	1
17	Lakepointe	NW Carrolton	138	138	Pole	0.1	0.2	1
18	NW Carrolton	South	138	138	Pole	2.0	—	1
19	Lakepointe	TI	138	138	Pole	2.8	—	1
20	Highlands	West	138	138	Single Pole	1.6	—	1
21	TI	West	138	138	Pole	4.9	—	1
22	South	TI	138	138	Pole	0.7	2.1	1
23	69 kV Transmission					73.9	—	12
24								
25	West Texas							
26	Rio Pecos	Girvin	138	138	Pole	0.8	—	1
27	Girvin	Soaptree	138	138	Pole	2.1	—	1
28	Lynx	Soaptree	138	138	Pole	0.9	0.8	2
29	Ft Stockton Plant	Leon Creek	138	138	Pole	0.1	—	1
30	Leon Creek	Airport	138	138	Pole	2.7	—	1
31	Leon Creek	Tarbrush	138	138	Pole	19.7	—	1
32	Leon Creek	St. Gall	138	138	Pole	—	—	1
33	Leon Creek	Genesis	138	138	Pole	—	—	1
34	Creosote	Trans Pecos Tap	138	138	Pole	0.5	—	1
35	Creosote	Coyanosa	138	138	Steel Single	0.9	—	1

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TRANSMISSION LINE STATISTICS (Continued)								
<p>7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)</p> <p>8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.</p> <p>9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.</p> <p>10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.</p>								
Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
2-1590 ACSR								2
795 ACSR								3
636 ACSR								4
795 ACSR								5
2-795 ACSS								6
								7
								8
								9
477 ACSR/SD								10
795 ACSR								11
795 ACSR								12
795 ACSS								13
795 ACSS								14
1926.9 ACSS/TW								15
1033 ACSR								16
1033 ACSR								17
795 ACSR								18
795 ACSR								19
795 ACSS								20
795 ACSS								21
959 ACSS/TW								22
								23
								24
								25
1926.9 ACSS/TW								26
1926.9 ACSS/TW								27
1926.9 ACSS/TW								28
1926.9 ACSS/TW								29
1926.9 ACSS/TW								30
1926.9 ACSS/TW								31
795 ACSS								32
795 ACSS								33
1926.9 ACSS/TW								34
1926.9 ACSS/TW								35

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TRANSMISSION LINE STATISTICS

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6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
36	Trans Pecos Tap	Trans Pecos	138	138	Pole	—	—	1
37	Trans Pecos Tap	Coyanosa	138	138	Pole	0.3	—	1
38	Coyanosa	Delaware Tap	138	138	Pole	0.2	—	1
39	Delaware Tap	CR 101	138	138	Frame	0.2	—	1
40	Arrowhead Tap	Arrowhead	138	138	Pole	—	—	1
41	Gas Pad	Caymus	138	138	Pole	0.3	—	1
42	Wink	Oncor Wink	138	138	Pole	1.4	—	1
43	Wink	Oncor Wink	138	138	Pole	1.2	—	1
44	Airport	Lancium	138	138	Pole	0.1	—	1
45	Alamo	Airport	138	138	Pole	3.1	—	1
46	Stone Road	Holiday	138	138	Pole	11.8	—	2
47	Alamo	Stone Road	138	138	Pole	1.9	—	2
48	Alamo	16th Street	138	138	Pole	—	—	1
49	Alamo	Soaptree	138	138	Pole	—	32.1	2
50	Holiday	Soaptree	138	138	Pole	18.6	—	2
51	Girvin	White Baker	138	138	Pole	14.7	—	1
52	White Baker	Pavo	138	138	Pole	—	—	1
53	Rio Pecos	Girvin	138	138	Pole	0.8	—	1
54	Foxtail	Tarbrush	138	138	Pole	2.4	—	2
55	Foxtail	Flat Top	138	138	Pole	8.8	—	1
56	Foxtail	Pig Creek	138	138	Pole	0.4	—	1
57	Foxtail	Pig Creek	138	138	Pole	0.4	—	1
58	Flat Top	Barilla Draw	138	138	Pole	5.8	—	1
59	Barilla Draw	Saddleback	138	138	Pole	6.8	—	1
60	Saddleback	Salt Draw Tap	138	138	Pole	0.5	—	1
61	Salt Draw Tap	IH20	138	138	Pole	4.4	—	1
62	IH20	Collie Tap	138	138	Pole	2.8	—	1
63	Collie Tap	Collie Meter Tap	138	138	Pole	—	—	1
64	Collie Meter Tap	Collie Cap Bank	138	138	Pole	0.1	—	1
65	Collie Tap	Birds of Prey Tap	138	138	Pole	2.3	—	1
66	Birds of Prey Tap	Harpoon Tap	138	138	Pole	3.6	—	1
67	Harpoon Tap	Worsham	138	138	Pole	2.0	—	1
68	Worsham	Reward Tap	138	138	Pole	3.3	—	1
69	Reward Tap	Sandstone	138	138	Pole	7.8	—	1
70	Sandstone	Pyote	138	138	Steel Single	4.3	—	1

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land	Construction and Other Costs	Total Cost	Operation Expenses	Maintenance Expenses (n)	Rents	Total Expenses	
	(j)	(k)	(l)	(m)	(n)	(o)	(p)	
795 ACSR								36
1926.9 ACSS/TW								37
477 ACSR								38
477 ACSR								39
336 ACSR								40
795 ACSR								41
1926.9 ACSS/TW								42
959 ACSS								43
795 ACSS								44
1926.9 ACSS/TW								45
1926.9 ACSS/TW								46
1926.9 ACSS/TW								47
1926.9 ACSS/TW								48
1926.9 ACSS/TW								49
1926.9 ACSS/TW								50
795 ACSS								51
795 ACSS								52
795 ACSS								53
1926.9 ACSR/TW								54
1926.9 ACSR/TW								55
1926.9 ACSR/TW								56
1926.9 ACSR/TW								57
1926.9 ACSR/TW								58
1926.9 ACSR/TW								59
1926.9 ACSR/TW								60
1926.9 ACSR/TW								61
1926.9 ACSR/TW								62
795 ACSR								63
795 ACSR								64
1926.9 ACSR/TW								65
1926.9 ACSR/TW								66
1926.9 ACSR/TW								67
1926.9 ACSR/TW								68
1926.9 ACSR/TW								69
1926.9 ACSR/TW								70

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TRANSMISSION LINE STATISTICS

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Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
71	Pyote	Staghorn	138	138	Pole	1.0	—	1
72	Staghorn	Wickett	138	138	Pole	12.0	—	1
73	Wickett	Wolf	138	138	Pole	5.8	—	1
74	Wickett	Wolf	138	138	Pole	6.2	—	1
75	IH20	County Road	138	138	Pole	0.2	—	1
76	IH20	Elm Street	138	138	Pole	—	2.0	1
77	IH20	Pecos Main	138	138	Pole	2.3	—	1
78	Pecos Main	Elm Street	138	138	Pole	0.1	—	1
79	Pecos Main	Cedarvale	138	138	Pole	7.6	—	1
80	Pecos Main	Cedarvale	138	138	Pole	7.8	—	1
81	Cedarvale	Mi Vida	138	138	Pole	0.2	—	1
82	Cedarvale	Sand Lake	138	138	Pole	1.1	—	1
83	Cedarvale	Sand Lake	138	138	Pole	1.1	—	1
84	Mi Vida	Coachwhip	138	138	Pole	10.0	—	1
85	Coachwhip	Fishhook	138	138	Pole	3.8	—	1
86	Cholla	LoneStar	138	138	Pole	5.5	—	1
87	Fishhook	Cholla	138	138	Pole	0.2	—	1
88	Fishhook	Cholla	138	138	Pole	0.2	—	1
89	Fishhook	Tap	138	138	Pole	11.2	—	1
90	Tap	Monument Draw	138	138	Pole	0.2	—	1
91	Tap	All American Tap	138	138	Pole	1.1	—	1
92	All American Tap	All American	138	138	Pole	0.2	—	1
93	All American Tap	Wink	138	138	Pole	0.8	—	1
94	Cedarvale	Bone Springs Tap	138	138	Pole	3.9	—	1
95	Bone Springs Tap	Bone Springs	138	138	Pole	—	—	1
96	Bone Springs Tap	Fishhook	138	138	Pole	8.8	—	1
97	Fishhook	Wink	138	138	Pole	13.2	—	1
98	Pecos Main	Jackrabbit	138	138	Pole	4.5	—	1
99	Jackrabbit	Reeves Tap	138	138	Pole	5.5	—	1
100	Reeves Tap	Coyote Springs	138	138	Pole	0.1	—	1
101	Reeves Tap	Eagle Claw Tap	138	138	Pole	2.8	—	1
102	Eagle Claw Tap	Eagle Claw	138	138	Pole	—	—	1
103	Eagle Claw Tap	Billingslea Tap	138	138	Pole	4.3	—	1
104	Billingslea Tap	Billingslea	138	138	Pole	0.4	—	1
105	Billingslea Tap	Faulkner	138	138	Steel Single	9.7	—	1

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TRANSMISSION LINE STATISTICS (Continued)

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Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land	Construction and Other Costs	Total Cost	Operation Expenses	Maintenance Expenses (n)	Rents	Total Expenses	
	(j)	(k)	(l)	(m)	(n)	(o)	(p)	
1926.9 ACSR/TW								71
1926.9 ACSR/TW								72
1926.9 ACSR/TW								73
1926.9 ACSS/TW								74
795 ACSR								75
1926.9 ACSR/TW								76
1926.9 ACSR/TW								77
1926.9 ACSR/TW								78
959 ACSS								79
959 ACSS								80
959 ACSS								81
1926.9 ACSS/TW								82
1926.9 ACSS/TW								83
795 ACSR								84
795 ACSR								85
1926.9 ACSS/TW								86
1926.9 ACSS/TW								87
1926.9 ACSS/TW								88
2045 ACCC								89
795 ACSR								90
2045 ACCC								91
795 ACSR								92
2045 ACCC								93
795 ACSR								94
795 ACSR								95
795 ACSR								96
2045 ACCC								97
1926.9 ACSR/TW								98
1926.9 ACSR/TW								99
1926.9 ACSR/TW								100
1926.9 ACSR/TW								101
795 ACSR								102
1926.9 ACSR/TW								103
795 ACSR								104
1926.9 ACSR/TW								105

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4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
106	69 kV Transmission					133.3	—	15
107								
108	Gulf Coast							
109	Comanche	Tejas	138	138	Steel Lattice	1.0	—	1
110	Greenbelt	ISP	138	138	Single Pole	4.5	—	1
111	Greenbelt	Tejas	138	138	Pole	0.7	—	1
112	Greenbelt	Cattail	138	138	Pole	2.3	—	1
113	Greenbelt	Green Power	138	138	Pole	0.1	—	1
114	Greenbelt	Green Power	138	138	Pole	0.1	—	1
115	Cattail	Air Products	138	138	Pole	0.1	—	2
116	Cattail	Air Products	138	138	Pole	0.1	0.1	2
117	Cattail	Texas City Main	138	138	Pole	0.1	—	1
118	Cattail	Cherokee	138	138	Pole	1.6	—	1
119	Amoco	Apache	138	138	Frame	4.1	—	1
120	Amoco	Cherokee	138	138	Pole	0.5	—	1
121	Amoco	Comanche	138	138	Frame	1.0	—	1
122	Amoco	MPL Tank Farm	138	138	Pole	1.4	—	1
123	Comanche	Cherokee	138	138	Pole	0.5	—	1
124	Caddo	Greenbelt	138	138	Pole	0.6	—	1
125	Caddo	Heights	138	138	Pole	2.1	—	1
126	Caddo	Heights	138	138	Pole	1.0	—	1
127	Apache	Caddo	138	138	Pole	0.2	—	1
128	Freeway Park	Heights	138	138	Single Pole	3.1	—	1
129	Freeway Park	Mainland	138	138	Frame	3.7	—	1
130	Mainland	Alvin	138	138	Frame	13.6	—	1
131	Dickinson	Freeway Park	138	138	Single Pole	6.3	—	1
132	Dickinson	League City	138	138	Pole	3.2	0.5	1
133	League City	Butler Road	138	138	Pole	2.1	—	1
134	Butler Road	Magnolia	138	138	Pole	1.6	—	1
135	League City	Hidden Lakes	138	138	Frame	3.2	—	1
136	Hidden Lakes	South Shore	138	138	Pole	1.8	—	1
137	Hidden Lakes	South Shore	138	138	Frame	1.8	—	1
138	Magnolia	Seminole	138	138	Frame	3.3	—	1
139	Friendswood	Hastings	138	138	Pole	7.3	—	1
140	Friendswood	Seminole	138	138	Pole	2.9	—	1

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n) (n)	Rents (o)	Total Expenses (p)	
								106
								107
								108
2-636 ACSR								109
2-636 ACSS								110
2-795 ACSS								111
2-795 ACSS								112
2-795 ACSS								113
2-795 ACSS								114
795 ACSS								115
795 ACSS								116
2-795 ACSS								117
2-795 ACSS								118
2-636 ACSR								119
795 ACSS								120
2-636 ACSR								121
795 ACSS								122
795 ACSS								123
2-795 ACSS								124
2-795 ACSS								125
2-795 ACSS								126
2-636 ACSR								127
2-795 ACSS								128
636 ACSR								129
636 ACSR								130
2-795 ACSS								131
2-795 ACSS								132
795 ACSS								133
795 ACSS								134
795 ACSR								135
795 ACSS								136
795 ACSR								137
636 ACSR								138
795 ACSS								139
795 ACSS								140

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
141	North Alvin	Alvin	138	138	Pole	2.1	—	1
142	North Alvin	Hastings	138	138	Pole	2.3	—	1
143	Main	CenterPoint WC	138	138	Frame	0.2	—	1
144	Main	CenterPoint WC	138	138	Frame	0.2	—	1
145	Local	Main	138	138	Frame	0.8	—	1
146	Angleton	Retrieve	138	138	Pole	7.0	—	1
147	Brazoria	Retrieve	138	138	Frame	6.2	—	1
148	Angleton	Local	138	138	Frame	14.1	—	1
149	Brazoria	Main	138	138	Frame	9.5	—	1
150	SCLP Cogen	Main	138	138	Pole	9.5	—	1
151	SCLP Cogen	FM524	138	138	Pole	1.0	—	1
152	FM524	Main	138	138	Pole	8.6	—	1
153	Brazoria	Sweeny	138	138	Pole	7.1	—	1
154	Sweeny	FM 524	138	138	Pole	3.7	—	1
155	FM 524	Linville	138	138	Pole	0.7	—	1
156	Linville	SCLP	138	138	Pole	0.4	0.7	1
157	PH Robinson	Attwater	138	138	Pole	5.7	—	1
158	Attwater	Freeway Park	138	138	Pole	1.7	—	1
159	PH Robinson	Attwater	138	138	Pole	5.8	—	1
160	Attwater	Heights	138	138	Pole	4.1	—	1
161	Attwater	Topaz	138	138	Pole	1.2	—	1
162	PH Robinson	ISP	138	138	Single Pole	4.4	—	1
163	PH Robinson	Hidden Lakes	138	138	Pole	3.1	0.0	1
164	69 kV Transmission		69	69		39.8	4	44
165								
166					TOTAL	967.2	43.3	264
167								
168								
169								
170								
171								
172								
173								
174								
175								

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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n) (n)	Rents (o)	Total Expenses (p)	
	795 ACSS							
795 ACSS								142
2-795 ACSS								143
2-795 ACSS								144
636 ACSR								145
2-795 ACSS								146
795 ACSR/SD								147
795 ACSR/SD								148
795 ACSS								149
2-636 ACSR								150
2-636 ACSR								151
2-636 ACSR								152
795 ACSS								153
795 ACSS								154
795 ACSS								155
795 ACSS								156
2-795 ACSS								157
2-795 ACSS								158
2-795 ACSS								159
2-795 ACSS								160
2-795 ACSS								161
2-636 ACSS								162
795 ACSS								163
								164
								165
	—	—	—	—	—	—	—	166
								167
								168
								169
								170
								171
								172
								173
								174
								175

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.

2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From	To		Type	Average Number per Miles	Present	Ultimate
	(a)	(b)		(d)	(e)	(f)	(g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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36							
37							
38							
39							
40							
41							
42							
43							
44	TOTAL		—		—	—	—

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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
								—	1
								—	2
								—	3
								—	4
									5
									6
									7
									8
									9
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									40
									41
									42
									43
				—	—	—	—	—	44

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of <u>2024/Q4</u>
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Central Texas Region				
2	Bosque Co., TX -Blackjack Sub	Trans. (unattended)	138	69	14
3	Bosque Co., TX -Lake Whitney Sub	Trans. (unattended)	138	69	14
4	Bosque Co., TX - Lake Whitney Sub	Dist. (unattended)	66	13	—
5	Coryell Co., TX - Coryell Co. Sub	Dist. (unattended)	66	22	—
6	Bosque Co., TX -Olsen Sub	Trans. (unattended)	138	69	14
7	Whitney, TX - Whitney Sub	Dist. (unattended)	66	22	—
8	Glen Rose, TX - Glen Rose Sub	Dist. (unattended)	66	22	—
9	Bosque Co., TX -Walnut Springs Sub	Dist. (unattended)	69	22	—
10	Coryell Co., TX - Jonesboro Sta	Trans. (unattended)	69	—	—
11	Hill Co., TX - Hill County Sub	Dist. (unattended)	138	25	—
12	Valley Mills, TX - Valley Mills Sub	Dist. (unattended)	66	22	—
13	Bosque Co., TX - Handley Sub	Dist. (unattended)	66	22	—
14	Clifton, TX - Clifton #1 Sub	Dist. (unattended)	66	4	—
15	Clifton, TX - Clifton #1 Sub	Dist. (unattended)	66	22	—
16	Clifton, TX - Clifton #2 Sub	Dist. (unattended)	66	4	—
17	Clifton, TX - Clifton #2 Sub	Dist. (unattended)	66	22	—
18	Meridan, TX - Meridan Sub	Dist. (unattended)	66	22	—
19	Gatesville, TX - Sycamore Sub	Dist. (unattended)	66	22	—
20	Gatesville, TX - Gatesville #2 Sub	Dist. (unattended)	66	4	—
21	Gatesville, TX - Gatesville #2 Sub	Dist. (unattended)	66	22	—
22	Hamilton Co., TX - Verbena Sub (Was Ham County)	Dist. (unattended)	66	22	—
23	Thurber, TX - Thurber Sub	Dist. (unattended)	66	13	—
24	Thurber, TX - Thurber Sub	Dist. (unattended)	66	22	—
25	Hico, TX - Hico Sub	Dist. (unattended)	66	22	—
26	Somervell Co, TX - Tolar Sub	Dist. (unattended)	138	22	—
27	Coryell Co, TX - Pancake Sta	Trans. (unattended)	66	—	—
28	Bosque Co., TX - Buckeye Sta	Trans. (unattended)	66	—	—
29	Gatesville, TX - Hilltop Sta	Dist. (unattended)	66	4	—
30	Gatesville, TX - Mountain View Sta	Dist. (unattended)	22	4	—
31	Robertson Co., TX - TNP One Sta	Trans. (unattended)	345	—	—
32	Robertson Co., TX - Twin Oak Sta	Trans. (unattended)	345	—	—
33	Robertson Co., TX - Willow Sta	Trans. (unattended)	345	—	—
34	North Texas Region				
35	Collin Co., TX - Climax Sub	Trans. (unattended)	138	69	14
36	Collin Co., TX - Climax Sub	Dist. (unattended)	138	22	—
37	Collin Co., TX - Farmersville West Sub	Dist. (unattended)	138	22	—
38	Princeton, Tx - Longneck Sub	Dist. (unattended)	138	22	—
39	Whitewright, TX - Whitewright Sub	Dist. (unattended)	66	13	—
40	Leonard, TX - Leonard Sub	Dist. (unattended)	66	13	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
200	1	—				2
93	1	—				3
14	2	—				4
50	2	—				5
167	1	—				6
46	3	—				7
50	2	—				8
13	1	—	(T) Capacitor Bank	1	6	9
—	—	—	(T) Capacitor Bank	1	15	10
13	1	—				11
11	1	—				12
9	1	—				13
5	1	—				14
12	1	—				15
4	1	—				16
5	1	—				17
25	1	—				18
14	1	—				19
6	1	—				20
9	1	—				21
25	1	—				22
25	1	—				23
25	1	—				24
25	1	—				25
11	1	—				26
—	—	—				27
—	—	—				28
5	1	—				29
3	3	—				30
—	—	—				31
—	—	—				32
—	—	—				33
						34
140	2	—				35
44	3	1				36
97	1	—				37
130	2	—				38
21	2	—				39
31	2	—				40

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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
41	Trenton, TX - Trenton Sub	Dist. (unattended)	66	4	—
42	Blue Ridge, TX - Blue Ridge Sub	Dist. (unattended)	66	22	—
43	Collin Co., TX - Westminster Tap	Trans. (unattended)	138	—	—
44	Collin Co., TX - Westminster Sub	Dist. (unattended)	138	13	—
45	Lewisville, TX - West Sub	Dist. (unattended)	138	13	—
46	Lewisville, TX - South Sub	Dist. (unattended)	138	13	—
47	Lewisville, TX - TI Sub	Dist. (unattended)	138	13	—
48	Lewisville, TX - TI Sub	Dist. (unattended)	138	26	—
49	Lewisville, TX - Jones St. Sub	Dist. (unattended)	138	13	—
50	Lewisville, TX - Lakepointe Sub	Dist. (unattended)	138	26	—
51	Nocona, TX - Nocona Sub	Dist. (unattended)	138	13	—
52	St. Jo, TX - St. Jo Sub	Dist. (unattended)	66	13	—
53	Petrolia, Tx - Petrolia Sub	Dist. (unattended)	66	13	—
54	Lone Oak, TX - Lone Oak Sub	Dist. (unattended)	66	13	—
55	Red River Co., TX - Red River Sub	Dist. (unattended)	66	22	—
56	Franklin Co., TX - Talco West Sub	Dist. (unattended)	138	13	—
57	Lamar Co., TX - Blossom Sub	Dist. (unattended)	138	22	—
58	Lamar Co., TX - Deport Sub	Dist. (unattended)	22		
59	Aubrey, TX - Krugerville Sub	Dist. (unattended)	138	26	—
60	Olney, TX - Olney Sub	Dist. (unattended)	66	13	—
61	Bryson, TX - Bryson Sub	Dist. (unattended)	66	13	—
62	Graham, TX - Graham Sub	Dist. (unattended)	66	13	—
63	Lewisville, TX - Highlands Sub	Trans. (unattended)	138	—	—
64	Olney, TX - Olney Switching Sub	Dist. (unattended)	13	—	—
65	Montague Co., TX - Ringgold Sub	Dist. (unattended)	69	25	—
66	Talco, TX - Talco City Sub	Dist. (unattended)	22	13	—
67	Collin Co., TX - Thistle Sub	Trans. (unattended)	138	—	—
68	Gulf Coast Region				
69	Texas City, TX-Amoco Sw. Station	Trans. (unattended)	138	69	14
70	Texas City, TX-Apache Sw. Station	Trans. (unattended)	138	—	—
71	Texas City, TX-Caddo Sw. Station	Trans. (unattended)	138	—	—
72	Texas City, TX-Cherokee Sw. Station	Trans. (unattended)	138	—	—
73	Texas City, TX-Comanche Sw. Station	Trans. (unattended)	138	—	—
74	Texas City, TX-Greenbelt Sw. Station	Trans. (unattended)	138	—	—
75	Texas City, TX-ISP Sw. Station	Trans. (unattended)	138	—	—
76	Texas City, TX-Freeway Park Sub.	Trans. (unattended)	138	—	—
77	Texas City, TX-Freeway Park Sub.	Dist. (unattended)	138	13	—
78	Texas City, TX-Heights Sub.	Trans. (unattended)	138	69	14
79	Texas City, TX-Heights Sub.	Dist. (unattended)	138	13	—
80	Texas City, TX-Northside Sub.	Dist. (unattended)	69	13	—

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
28	1	—				41
50	1	—				42
—	—	—				43
11	1	—				44
141	3	—				45
92	2	—				46
92	2	—				47
168	2	—				48
84	2	—				49
168	2	—				50
50	2	—				51
14	2	—				52
11	1	1				53
28	1	—				54
25	1	1				55
33	2	—				56
20	1	—				57
—	—	—				58
83	1	—				59
50	2	—				60
9	1	—				61
9	1	—				62
—	—	—				63
—	—	—				64
25	1	—				65
6	1	—				66
—	—	—				67
—	—	—				68
400	2	—				69
—	—	—				70
—	—	—				71
—	—	—				72
—	—	—	(T) Capacitor Bank	1	30	73
—	—	—				74
—	—	—				75
—	—	—				76
94	2	—				77
400	2	1	(T) Capacitor Bank	1	28	78
100	2	—	(D) Capacitor Bank	2	10	79
100	2	—	(D) Capacitor Bank	2	10	80

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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
81	Texas City, TX-Tejas Sub.	Trans. (unattended)	138		
82	Texas City, TX-Tejas Sub.	Dist. (unattended)	138	13	—
83	Texas City, TX- Texas City Main	Trans. (unattended)	138	69	13
84	Texas City, Tx- Grant. Ave	Trans. (unattended)	69	—	—
85	Texas City, Tx- TC Water	Dist. (unattended)	69	4	—
86	Texas City, Tx- Intercity	Trans. (unattended)	69	—	—
87	Texas City, TX-Linde	Trans. (unattended)	69	4	—
88	Texas City, Tx-Genesis	Trans. (unattended)	69	—	—
89	Texas City, Tx- Marathon Pipeline	Trans. (unattended)	69	4	—
90	Texas City, Tx-Choctaw	Trans. (unattended)	69	—	—
91	Texas City, Tx- Bayview	Trans. (unattended)	69	—	—
92	La Marque, TX-LaMarque Sub.	Dist. (unattended)	69	13	—
93	Dickinson, TX-Dickinson Sub.	Dist. (unattended)	138	13	—
94	League City, TX-League City Sub.	Trans. (unattended)	138	—	—
95	League City, TX-League City Sub.	Dist. (unattended)	138	13	—
96	League City, TX-Butler Road Sub.	Dist. (unattended)	138	13	—
97	League City, TX-Magnolia Sub.	Dist. (unattended)	138	13	—
98	League City, TX-South Shore Sub.	Dist. (unattended)	138	13	—
99	League City, TX-Hidden Lakes Sub.	Dist. (unattended)	138	13	—
100	League City, TX Seminole Sub.	Dist. (unattended)	138	13	—
101	Friendswood, TX-Friendswood Sub.	Dist. (unattended)	138	13	—
102	Brazoria Co., TX-Hastings Sta.	Trans. (unattended)	138	—	—
103	Alvin, TX-Alvin Sub.	Dist. (unattended)	138	13	—
104	La Marque, TX-Mainland Sub.	Dist. (unattended)	138	13	—
105	Brazoria Co., Tx- North Alvin Sub	Dist. (unattended)	138	13	—
106	Angleton, TX-Angleton Sub.	Dist. (unattended)	138	13	—
107	Brazoria Co., TX-West Col. Main Sub.	Trans. (unattended)	138	—	—
108	West Columbia, TX-West Col. Local Sub.	Dist. (unattended)	138	13	—
109	Brazoria, TX-Brazoria Sub.	Trans. (unattended)	138	69	14
110	Brazoria, TX-Brazoria Sub.	Dist. (unattended)	138	13	—
111	Brazoria Co., Tx-Clemons Dome Sub	Dist. (unattended)	69	13	—
112	Brazoria Co., TX-Clemons Cavern Sta	Trans. (unattended)	69	—	—
113	Brazoria Co., TX-Clemons Tap Sta	Trans. (unattended)	69	—	—
114	Sweeny, TX-Sweeny Sub.	Dist. (unattended)	138	13	—
115	Brazoria Co., TX-FM 524 Sub	Trans. (unattended)	138	69	13
116	Brazoria Co., TX-Linville Sta	Trans. (unattended)	138	—	—
117	Brazoria Co., TX-Old Ocean Sub.	Dist. (unattended)	69	13	—
118	Brazoria Co., TX-Phillips 5 Sta	Trans. (unattended)	69	—	—
119	Galveston Co., TX-Attwater Sta	Trans. (unattended)	138	—	—
120	Galveston Co., TX-Cattail Sta	Trans. (unattended)	138	—	—

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						81
97	2	—	(D) Capacitor Bank	2	10	82
200	1	—	(T) Capacitor Bank	1	28	83
—	—	—				84
7	1	1				85
—	—	—				86
5	1	—				87
—	—	—				88
7	1	—				89
—	—	—				90
—	—	—				91
50	2	—				92
97	2	—	(D) Capacitor Bank	2	10	93
—	—	—				94
141	3	—	(D) Capacitor Bank	2	10	95
97	2	—				96
100	2	1	(D) Capacitor Bank	2	10	97
94	2	—	(D) Capacitor Bank	2	10	98
100	1	—				99
97	2	—				100
100	2	—	(D) Capacitor Bank	2	10	101
—	—	—				102
150	3	1	(D) Capacitor Bank	3	14	103
150	3	1				104
50	1	—				105
147	3	—	(D) Capacitor Bank	3	14	106
—	—	—				107
50	2	1				108
50	1	—				109
70	2	—				110
9	1	1				111
—	—	—				112
—	—	—				113
75	2	—				114
167	1	—	(T) Capacitor Bank	4	160	115
—	—	—				116
22	1	—				117
—	—	—				118
—	—	—				119
—	—	—				120

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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
121	Galveston Co., TX-Terminal Sta	Trans. (unattended)	69	—	—
122	West Texas Region				
123	Winkler Co., TX - Wink Sub	Trans. (unattended)	138	69	14
124	Winkler Co., TX - Winkler Co No. 6 Sub	Dist. (unattended)	66	25	—
125	Winkler Co., Tx - California	Dist. (unattended)	66	13	—
126	Kermit, TX -Kermit#1	Dist. (unattended)	66	4	—
127	Kermit, TX -Windblown Sub (Was #2)	Dist. (unattended)	66	13	—
128	Winkler Co., TX -Keystone	Dist. (unattended)	69	13	—
129	Ward Co., Tx-Wickett	Trans. (unattended)	138	69	13
130	Ward Co., Tx-Wickett	Dist. (unattended)	66	13	—
131	Ward Co., Tx-Pyote	Dist. (unattended)	138	25	—
132	Ward Co., Tx-Sandstone	Trans. (unattended)	138	—	—
133	Ward Co., Tx-Coachwhip	Dist. (unattended)	138	25	—
134	Reeves Co., Tx-Reward Sta.	Trans. (unattended)	138	—	—
135	Reeves Co., Tx-Worsham Sub	Dist. (unattended)	138	13	—
136	Reeves Co., Tx-Harpoon Sta.	Trans. (unattended)	138	—	—
137	Reeves Co., Tx-Birds of Prey Sta	Trans. (unattended)	138	—	—
138	Reeves Co., TX-Collie Tap Sta	Trans. (unattended)	138	—	—
139	Reeves Co., TX-Collie Cap Bank Sta	Trans. (unattended)	138	—	—
140	Ward Co., TX-Bone Springs Sta	Trans. (unattended)	138	—	—
141	Ward Co., Tx-Cedarvale Sta 138 kV	Trans. (unattended)	138	—	—
142	Ward Co., Tx-Cedarvale Sta 25 kV	Dist (unattended)	138	25	—
143	Ward Co., Tx-Cedarvale Sta 12.5 kV	Dist (unattended)	138	13	—
144	Ward Co., Tx-Cholla Sta	Dist. (unattended)	138	138	25
145	Ward Co., Tx-Lone Star	Dist. (unattended)	138	25	—
146	Ward Co., Tx-Mi Vida Sta	Trans. (unattended)	138	—	—
147	Winkler Co., Tx-Monument Draw Sta	Trans. (unattended)	138	—	—
148	Winkler Co., Tx-All Amercian PL	Trans. (unattended)	138	—	—
149	Pecos, TX - Pecos Main Sub	Trans. (unattended)	138	—	—
150	Pecos, TX - IH 20 Sub	Trans. (unattended)	138	—	—
151	Pecos, TX - IH 20 STATCOM Sta	Trans. (unattended)	138	31	—
152	Pecos, TX - County Road Sub	Dist. (unattended)	138	13	—
153	Reeves Co., TX - Salt Draw Sta.	Trans. (unattended)	138	—	—
154	Reeves Co., TX - Saddleback Sub.	Dist. (unattended)	138	25	—
155	Reeves Co., TX - Barilla Draw Sub	Trans. (unattended)	138	—	—
156	Reeves Co., Tx - Flat Top	Dist. (unattended)	138	25	—
157	Pecos Co., TX - Tarbush Sub.	Dist. (unattended)	138	25	—
158	Reeves Co., Tx - Elm Street Sub	Dist. (unattended)	138	13	—
159	Pecos, Reeves Co., TX-Jackrabbit Sub	Dist. (unattended)	138	25	—
160	Reeves Co., Tx - Coyote Spring Sub.	Dist. (unattended)	138	13	—

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
—	—	—				121
						122
260	2	1				123
25	1	—				124
11	1	—				125
13	1	—				126
75	2	—				127
11	1	—				128
167	1	—				129
3	1	—				130
75	2	—				131
—	—	—				132
50	1	—				133
—	—	—				134
75	2	—				135
—	—	—				136
—	—	—				137
—	—	—				138
—	—	—	(T) Capacitor Bank	6	120	139
—	—	—				140
—	—	—	(T) Capacitor Bank	4	480	141
25	1	—				142
25	1	—				143
100	2	—				144
100	2	—	(T) Capacitor Bank	4	160	145
—	—	—				146
—	—	—				147
—	—	—				148
—	—	1	(T) Capacitor Bank	6	160	149
—	—	—				150
190	2	—	STATCOM	1	190	151
150	3	—				152
—	—	—				153
100	2	—				154
—	—	—	(T) Capacitor Bank	1	30	155
100	2	—				156
75	2	—				157
128	3	—				158
50	1	—				159
100	2	—				160

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SUBSTATIONS

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
161	Reeves Co., Tx - Eagle Claw Sta.	Trans. (unattended)	138	—	—
162	Reeves Co., Tx - Billingslea Sta.	Trans. (unattended)	138	—	—
163	Reeves Co., Tx - Faulkner	Dist. (unattended)	138	13	—
164	Reeves Co., TX - County Road 101 Sta	Trans. (unattended)	138	—	—
165	Reeves Co., TX - Trans Pecos Sta.	Trans. (unattended)	138	—	—
166	Reeves Co., TX - Delaware Sta.	Trans. (unattended)	138	—	—
167	Reeves Co., TX - Wolf Bone Ranch Sta	Trans. (unattended)	138	—	—
168	Reeves Co., TX - Utah Sta	Trans. (unattended)	138	—	—
169	Reeves Co., TX - Caymus Sta	Trans. (unattended)	138	—	—
170	Reeves Co., TX - Arrowhead Sta	Trans. (unattended)	138	—	—
171	Winkler Co., TX - Gembok Sta	Trans. (unattended)	138	—	—
172	Winkler Co., TX - Rattlesnake Sub	Dist. (unattended)	138	25	—
173	Reeves Co., TX - Scimitar Sta	Trans. (unattended)	138	—	—
174	Reeves Co., TX - Sand Lake Sub	Dist. (unattended)	138	25	—
175	Reeves Co., TX - Grisham Sta	Trans. (unattended)	138	—	—
176	Reeves Co., TX - Cottonwood Sub	Dist. (unattended)	138	25	—
177	Fort Stockton, TX -16th Street Sub	Trans. (unattended)	138	69	14
178	Fort Stockton, TX -Stone Road Sub	Trans. (unattended)	138	—	—
179	Fort Stockton, TX - Airport Sub	Dist. (unattended)	138	13	—
180	Fort Stockton, TX -Downtown Sub	Dist. (unattended)	66	13	—
181	Fort Stockton, TX -Leon Creek Sw Station	Trans. (unattended)	138	—	—
182	Pecos Co., TX - Soapstree Sw Station	Trans. (unattended)	138	—	—
183	Pecos Co., TX - White Baker Sw Station	Trans. (unattended)	138	69	14
184	Pecos Co., TX - Northern Natural Sub	Trans. (unattended)	69	—	—
185	Pecos Co., TX - Northern Natural Sub	Dist. (unattended)	66	4	—
186	Pecos Co., TX - Pucket	Dist. (unattended)	66	25	—
187	Pecos Co., TX - Gomez	Dist. (unattended)	66	25	—
188	Pecos Co., TX - Belding	Dist. (unattended)	66	13	—
189	Pecos Co., TX - Armadillo	Dist. (unattended)	66	13	—
190	Sanderson, Tx - Sanderson	Dist. (unattended)	66	4	—
191	Pecos Co., Tx - Ocotillo Sta	Trans. (unattended)	69	—	—
192	Fort Stockton, TX - Alamo Street Sub	Dist. (unattended)	138	13	—
193	Pecos Co., TX - CC Mitchell Sub	Dist. (unattended)	69	13	—
194	Reeves Co., TX - Coyanosa Sub	Dist. (unattended)	138	25	—
195	Reeves Co., TX - Downie Sub	Dist. (unattended)	69	13	—
196	Pecos Co., TX - Harrell Sub	Dist. (unattended)	69	4	—
197	Pecos Co., TX - N.M. Mitchell Sub	Dist. (unattended)	69	13	—
198	Ward Co., TX-Fishhook Sta	Trans. (unattended)	138	—	—
199	Pecos Co., TX-Foxtail Sta	Trans. (unattended)	138	—	—
200	Pecos Co., TX-Girvin Sta	Trans. (unattended)	138	—	—
201	Pecos Co., TX-Holiday Sta	Trans. (unattended)	138	—	—
202	Ward Co., TX-Staghorn Sta	Trans. (unattended)	138	—	—
203					

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
—	—	—				161
—	—	—				162
150	2	—				163
—	—	—				164
—	—	—	(T) Capacitor Bank	3	60	165
—	—	—				166
—	—	—				167
—	—	—				168
—	—	—	(T) Capacitor Bank	3	60	169
—	—	—				170
—	—	—				171
25	1	—				172
—	—	—				173
75	2	—				174
—	—	—				175
100	2	—	(T) Capacitor Bank	6	240	176
70	1	—				177
—	—	—				178
75	2	—	(T) Capacitor Bank	4	160	179
25	1	1				180
—	—	—	(T) Capacitor Bank	4	160	181
—	—	—				182
70	1	—	(T) Capacitor Bank	4	160	183
—	—	—	(T) Capacitor Bank	1	2	184
14	2	—				185
5	1	—				186
25	1	—				187
11	1	1				188
1	1	—				189
4	1	—				190
—	—	—				191
100	2	—				192
—	1	—				193
50	1	—				194
1	1	—				195
1	1	—				196
—	1	—				197
—	—	—				198
—	—	—				199
—	—	—				200
—	—	—				201
—	—	—	(T) Capacitor Bank	4	160	202
—	—	—				203

Name of Respondent Texas-New Mexico Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/17/2025	Year/Period of Report End of 2024/Q4
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Service billings	TXNM Energy Inc.	182,922	53,165,675
3	Interest payments	TXNM Energy Inc.	430	210,473
4	Call center	Public Service Company of New Mexico	901	383,799
5	Dispatch Services	Public Service Company of New Mexico	903	56,293
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19				
20	Non-power Goods or Services Provided for Affiliate			
21	Intercompany rent	TXNM Energy Inc.	455	113,695
22	Service billings	Public Service Company of New Mexico	415	496,796
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