

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION)
OF AVANGRID, INC., AVANGRID NETWORKS, INC.,)
NM GREEN HOLDINGS, INC.,)
PUBLIC SERVICE COMPANY OF NEW MEXICO)
AND PNM RESOURCES, INC. FOR APPROVAL OF)
THE MERGER OF NM GREEN HOLDINGS, INC.)
WITH PNM RESOURCES, INC.; APPROVAL OF A)
GENERAL DIVERSIFICATION PLAN; AND ALL) Case No. 20-00 ____ -UT
OTHER AUTHORIZATIONS AND APPROVALS)
REQUIRED TO CONSUMMATE AND IMPLEMENT)
THIS TRANSACTION)
)
AVANGRID, INC., AVANGRID NETWORKS, INC.,)
NM GREEN HOLDINGS, INC., PUBLIC)
SERVICE COMPANY OF NEW MEXICO AND PNM)
RESOURCES, INC.,)
)
JOINT APPLICANTS.)
)

JOINT APPLICATION

Avangrid, Inc. (“Avangrid”), a New York corporation, Avangrid Networks, Inc. (“Networks”), a Maine Corporation, NM Green Holdings, Inc. (“NM Green”), a New Mexico corporation, Public Service Company of New Mexico (“PNM”), a New Mexico corporation, and PNM Resources, Inc. (“PNMR”), a New Mexico corporation (collectively, “Joint Applicants”) respectfully apply to the New Mexico Public Regulation Commission (“NMPRC” or the “Commission”) for approval of (1) the merger of NM Green with and into PNMR, under NMSA 1978, Sections 62-6-12 and 62-6-13, following which PNMR will be the surviving corporation and will be a wholly-owned subsidiary of Avangrid (“Merger”); (2) Avangrid’s transfer of 100% ownership in PNMR to Networks subsequent to the Merger (together with the Merger, the “Proposed Transaction”); (3) PNM’s 2021 General Diversification Plan (“2021 GDP”), which

replaces any previous diversification plans and is filed in connection with the Class II transaction contemplated by the Proposed Transaction pursuant to 17.6.450 NMAC (“Rule 450”); and (4) such other and further approvals, consents, authorizations, and relief that may be required under the New Mexico Public Utility Act (the “PUA”), including a limited variance to information required to be provided by Rule 450.10(B)(1) and Rule 450.13(A)(2), to consummate and implement the Proposed Transaction.

In support of this Joint Application, the Joint Applicants state as follows:

I. INTRODUCTION AND DESCRIPTION OF THE JOINT APPLICANTS

1. On October 20, 2020, PNMR, Avangrid and NM Green, a wholly owned subsidiary of Avangrid, entered into an Agreement and Plan of Merger (the “Merger Agreement”). The Merger Agreement is attached as JA Exhibit PAB-3 to the Direct Testimony of Joint Applicant Witness Pedro Azagra Blazquez. Under the Merger Agreement, NM Green will merge with and into PNMR, with PNMR surviving the Merger as a wholly-owned subsidiary of Avangrid. Thereafter, Avangrid will transfer all of its ownership in PNMR to Networks. PNM and TNP Enterprises, Inc., which holds Texas-New Mexico Power Company, a Texas corporation (“TNMP”), are wholly owned subsidiaries of PNMR, and will become indirect subsidiaries of Avangrid upon the closing of the Proposed Transaction.

2. **Avangrid.** Avangrid’s common stock is publicly traded on the New York Stock Exchange (“NYSE”). Avangrid is a leading, sustainable energy company with approximately \$36 billion in assets and operations in 24 U.S. states. Avangrid has two primary lines of business through two intermediate holding companies: (i) Networks and (ii) Avangrid Renewables Holdings, Inc. (“Avangrid Renewables”). Networks indirectly owns eight electric and natural gas

utilities, serving more than 3.3 million customers in New York and New England. Avangrid Renewables indirectly owns and operates a portfolio of renewable energy generation facilities across the United States. Avangrid Renewables is the third largest wind power operator in the United States, and has approximately 7.5 gigawatts of wind and solar energy capacity. Avangrid Renewables owns and operates a portfolio of renewable energy generation facilities across the United States, including in New Mexico, which are separate and distinct from Avangrid's public utility holdings. Avangrid supports the U.N.'s Sustainable Development Goals and was named among the World's Most Ethical Companies in 2019 and 2020 by the Ethisphere Institute. In October of this year, Avangrid was named one of America's Most Just Companies on the annual Forbes JUST 100 list, and was ranked number one within the utility industry for its commitment to the environment and the communities it serves.

3. Iberdrola, S.A. ("Iberdrola") owns 81.5% of Avangrid's stock. Iberdrola is a global energy holding company based in Bilbao, Spain, and is a world leader in renewable energy. The Iberdrola companies provide utility services to approximately 32 million points of supply worldwide, and has operations in dozens of countries on four continents.

4. Avangrid is filing as a Joint Applicant because it will become an indirect public utility holding company of PNM if the Proposed Transaction is approved and consummated. Avangrid's principal office is located at 180 Marsh Hill Road, Orange, Connecticut 06477.

5. **Networks.** Networks is wholly owned by Avangrid. Networks owns eight electric and natural gas utilities in the Northeast U.S., and serves approximately 3.3 million customers in New York and New England. Promptly after the Merger is completed, Avangrid will transfer 100% ownership in PNMR to Networks.

6. Networks is filing as a Joint Applicant because it will become an indirect holding company of PNM. Networks' principal office is located at 180 Marsh Hill Road, Orange, Connecticut 06477.

7. **NM Green.** NM Green was formed as a direct and wholly-owned subsidiary of Avangrid for the sole purpose of entering into the Merger Agreement and completing the plan of merger as detailed in the Merger Agreement, whereby NM Green will merge with and into PNMR, with PNMR as the surviving business entity.

8. NM Green is filing as a Joint Applicant because it seeks to merge with PNMR as part of the Merger and Proposed Transaction. NM Green's principal office is located at 180 Marsh Hill Road, Orange, Connecticut 06477.

9. **PNMR.** PNMR is an investor-owned public utility holding company and its common stock is publicly traded on the NYSE. PNMR owns two regulated utility subsidiaries providing electricity and electric services in New Mexico and Texas: PNM and TNMP.

10. PNMR is filing as a Joint Applicant because it is the sole shareholder of and the utility holding company for PNM, and wishes to merge with NM Green as part of the Merger and Proposed Transaction. PNMR's principal office is located at 414 Silver Ave., SW, Albuquerque, New Mexico 87102.

11. **PNM.** PNM is a wholly-owned subsidiary of PNMR and is an authorized public utility under the PUA. PNM is, and will continue to be, a public utility subject to the jurisdiction and regulatory authority of the Commission. PNM serves approximately 530,000 customers in New Mexico. PNM is a vertically-integrated utility. Its current generation portfolio includes a mix of renewable wind, solar, and geothermal resources and small-scale energy storage, as well as natural gas plants, and partial interests in coal and nuclear facilities.

12. PNM is filing as a Joint Applicant because it is the certificated public utility that is indirectly being acquired by Avangrid. PNM's principal office is located at 414 Silver Ave., SW, Albuquerque, New Mexico 87102.

13. If approved, the Proposed Transaction will result in PNM remaining a wholly-owned and direct subsidiary of PNMR, and a subsidiary of Avangrid. Avangrid recognizes the value that local management's knowledge and expertise bring to serving the communities in which PNM operates, and PNM will continue to be overseen by New Mexico-based management and its headquarters will remain in Albuquerque, New Mexico. PNM will continue providing regulated electric utility service to customers in New Mexico subject to the jurisdiction and regulatory authority of the Commission.

14. The Proposed Transaction provides numerous benefits to PNM's customers, employees, and the communities served by PNM, as more fully described in Section IV below.

15. In support of this Joint Application, Joint Applicants submit the Direct Testimonies and Exhibits of the following witness:

- Pedro Azagra Blazquez, Chief Development Officer of Iberdrola, and a Director on Avangrid's Board of Directors
- Robert D. Kump, Deputy Chief Executive Officer and President of Avangrid
- Joseph D. Tarry, Senior Vice President and Chief Financial Officer for PNMR
- Ronald N. Darnell, Senior Vice President, Public Policy for PNM
- Ellen Lapson, CFA, of Lapson Advisory

16. The following designated corporate representatives and attorneys for Avangrid, Networks, NM Green, PNMR, and PNM should receive all notices, pleadings, discovery requests, objections and responses, briefs, and all other documents related to this case:

For Avangrid, Networks, and NM Green:

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Electronic service should be made as follows:

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carey.salaz@pnm.com.

II. DESCRIPTION OF THE TRANSACTION

17. The Proposed Transaction will occur in two steps. The first step is the Merger, which will occur in accordance with the Merger Agreement. Pursuant to the Merger Agreement, NM Green will merge with and into PNMR, with PNMR as the surviving business entity. PNM will remain the direct and wholly-owned subsidiary of PNMR, and Avangrid will become the indirect parent of PNM.

18. All common stock of PNMR outstanding at the closing of the Merger will be cancelled and converted to the right to receive \$50.30 per share in cash, except for any common stock held by Avangrid, NM Green, PNMR, or any wholly-owned subsidiary of Avangrid or PNMR, which stock shall be automatically cancelled. The total payment for the purchase of the PNMR common stock is approximately \$4.318 billion. PNMR's common stock will be delisted from the NYSE.

19. The respective boards of directors of Avangrid and PNMR have each unanimously approved the Merger Agreement. The PNMR board of directors recommends that the shareholders of PNMR vote in favor of the Merger.

20. PNM will remain a wholly-owned subsidiary of PNMR and will continue as a New Mexico corporation and public utility subject to the jurisdiction of the Commission.

21. The Merger will close after all regulatory approvals are received and all conditions for closing have been met, including receipt of approval from PNMR's shareholders as set forth in the Merger Agreement. In addition to this Joint Application, jurisdictional approvals are being requested from the Public Utility Commission of Texas, the Federal Energy Regulatory Commission, and the United States Nuclear Regulatory Commission. An antitrust review will be filed pursuant to the Hart-Scott-Rodino Antitrust Improvements Act, to be reviewed by the United

States Department of Justice, and a filing will be made with the inter-agency Committee on Foreign Investment in the United States. A filing with the Federal Communications Commission will also be made regarding the licenses maintained by PNM and TNMP, due to the change in ownership.

22. As the second step in the Proposed Transaction, Avangrid will transfer 100% ownership in PNMR to Networks, which is the corporate entity Avangrid uses to hold all of its public utility interests. This transfer is expected to occur within one week following closing.

23. Joint Applicants seek to have all regulatory approvals (including approval from this Commission) granted as soon as reasonably possible so that they can close the Proposed Transaction as promptly as possible, subject to the approval of PNMR's shareholders and other customary closing conditions.

24. Joint Applicants state and represent that the Proposed Transaction will not:

- a. Change PNM's legal status as a public utility that is regulated by the NMPRC under the PUA;
- b. Affect PNM's ability to provide reasonable and proper electric utility service at fair, just, and reasonable rates; or
- c. Affect the NMPRC's authority and ability to supervise and regulate PNM's rates and service.

III. PNM'S GENERAL DIVERSIFICATION PLAN

25. Joint Applicants also request Commission approval of the 2021 GDP, attached as JA Exhibit RND-2 to the Direct Testimony of Ronald N. Darnell. The 2021 GDP contains the information required by NMPRC Rule 450 for the Class II transaction establishing Avangrid, Networks, and Iberdrola as indirect public utility holding companies of PNM. Joint Applicants seek a limited variance from Rule 450.10(B)(1) and 450.13(A)(2) with regard to Iberdrola

subsidiaries and affiliates. The testimony of Joint Applicant Witness Ronald N. Darnell further addresses the commitments of Rule 450 and the 2021 GDP.

26. Joint Applicants make the following affirmations required by Rule 450:
- a. The books and records of PNM will be kept separate from those of non-regulated businesses and other affiliated interests of PNM, including those of PNMR, Networks, Avangrid, and Iberdrola and in accordance with the Uniform System of Accounts;
 - b. The Commission and its Staff will have access to the books, records, accounts or documents of PNM, its corporate subsidiaries and its holding companies, including PNMR, Networks, Avangrid, and Iberdrola, pursuant to NMSA 1978, §§ 62-6-17 and 62-6-19;
 - c. The supervision and regulation of PNM pursuant to the PUA will not be obstructed, hindered, diminished, impaired, or unduly complicated;
 - d. PNM will not pay excessive dividends to PNMR as the public utility holding company for PNM, and PNMR will not take any action which will have an adverse and material effect on PNM's ability to provide reasonable and proper service at fair, just, and reasonable rates;
 - e. PNM will not without prior approval of the Commission:
 - i. loan its funds or securities or transfer similar assets to any affiliated interest; or
 - ii. purchase debt instruments of any affiliated interests or guarantee or assume liabilities of any affiliated interests;
 - f. All applicable statutes, rules, or regulations, federal or state, have been or will be complied with;
 - g. If required by the Commission, PNM will have an allocation study (which will not be charged to ratepayers) performed by a consulting firm chosen by and under the direction of the Commission; and
 - h. If required by the Commission, PNM will have a management audit (which will not be charged to ratepayers) performed by a consulting firm chosen by and under the direction of the Commission to determine whether there are any adverse effects of Class II transactions upon PNM.

27. Joint Applicants affirm that the GDP filed with this Joint Application is in the public interest because the level of investment being made by Avangrid is reasonable; and PNM's

ability to provide reasonable and proper utility service at fair, just, and reasonable rates will not be adversely and materially affected by the Proposed Transaction, or its resulting effects. Joint Applicants further affirm that the standards and representations under Rule 450.10 will be maintained.

28. The Joint Application, supporting testimony and GDP demonstrate that the resulting effect of the requested Class II transaction will not materially and adversely affect PNM's ability to provide reasonable and proper utility service at fair, just and reasonable rates as required pursuant to NMSA 1978, Section 62-6-19(C)(2).

**IV. BENEFITS OF THE PROPOSED TRANSACTION
AND ASSURANCE OF CONTINUED REASONABLE
AND PROPER SERVICE AT FAIR, JUST, AND REASONABLE RATES**

29. The Proposed Transaction provides the following benefits and protections to PNM's customers, employees, and the communities PNM serves:

A. PNM will provide rate credits to its customers in the total amount of \$24.6 million over a three-year period following closing of the Proposed Transaction.

B. PNM and PNMR's charitable contributions in New Mexico will be maintained at historical levels for a minimum of three years following the closing of the Proposed Transaction, with a similar expectation for the PNM Resources Foundation's separate charitable activities.

C. PNM will maintain its existing low-income customer assistance programs, including PNM's contributions to the Good Neighbor Fund, for a minimum of three years following the closing of the Proposed Transaction.

D. Joint Applicants will create or bring an additional 100 full-time jobs to New Mexico over the three years following the closing of the Proposed Transaction.

E. There will be no involuntary employee terminations except for cause or performance (other than reductions associated with the planned closure of the San Juan Generating Station) for a minimum of two years following the closing of the Proposed Transaction.

F. Joint Applicants will not implement any reductions in wages or terms and conditions of non-union employment in effect prior to the Proposed Transaction for a minimum of two years following the closing of the Proposed Transaction.

G. Joint Applicants will honor current collective bargaining agreements.

H. Joint Applicants will make contributions to economic development projects or programs in New Mexico, at shareholder expense, totaling \$2.5 million over the two-year period following closing of the Proposed Transaction.

I. PNM will invest in its system to ensure reliability and safety.

J. Avangrid will maintain the indirect controlling ownership interest in PNM for not less than five years following the closing of the Proposed Transaction.

K. Avangrid will extinguish all debt at PNMR after closing, which will improve the credit metrics at PNMR;

L. Joint Applicants are committed to local management and will implement the following after the closing of the Proposed Transaction:

- i. The board of directors for PNM will include at least two local leaders from New Mexico;
- ii. PNM board of directors meetings will be held in New Mexico or virtually;

- iii. PNM's day-to-day operations will be conducted by PNM's local management and employees, and PNM's local management will continue to establish company priorities and respond to local conditions; and
- iv. PNM's headquarters will remain in Albuquerque, New Mexico, for so long as Avangrid owns PNM.

30. Joint Applicants further commit and agree to the following financial and regulatory oversight protections following the closing of the Proposed Transaction:

A. PNM will maintain a separate name and logo from Avangrid, Iberdrola and their respective subsidiaries and affiliates. However, the Avangrid name and logo may be appended for branding purposes, *e.g.*, "An Avangrid Company" or other words to similar effect.

B. Neither PNM's assets nor revenues will be pledged by any affiliates for the benefit of any entity other than PNM.

C. PNM will not lend to or borrow funds from any affiliates, other than as permitted by the Commission.

D. PNM will not share credit facilities with any affiliates, other than as approved by the Commission.

E. PNM will not include in any of its debt or credit agreements any cross-default provisions relating to any affiliates.

F. The Joint Applicants will take such actions as necessary to ensure the existence of PNM's stand-alone bond credit and debt ratings.

G. PNM will maintain accurate, appropriate, and detailed books, financial records and accounts, including checking and other bank accounts, and custodial and other securities safekeeping accounts that are separate and distinct from those of any other entity.

H. PNM will not pay dividends, except for contractual tax payments, at any time that PNM's debt rating is below investment grade with any one of the credit agencies rating PNM, absent Commission approval.

I. PNM will provide at least 15 days' notice to the Commission before making any dividend payments.

J. PNM will not acquire or transfer any material assets from or to any affiliates, except in an arm's length transaction and in accordance with the Commission's affiliate transaction standards and requirements.

K. Joint Applicants commit that PNM will not, directly or indirectly, seek to recover in any future rate case, any acquisition premium, transaction costs, or merger transition costs resulting from the Proposed Transaction and allocated to PNM.

L. Neither PNM nor PNMR will take on any new debt in conjunction with the Proposed Transaction.

M. The Commission and its staff will have access to the books, records, accounts or documents of PNM, its corporate subsidiaries and its holding companies, including PNMR, Networks, Avangrid, and Iberdrola, pursuant to NMSA 1978, Sections 62-6-17 and 62-6-19.

N. Commission jurisdiction over PNM remains and will not be adversely affected in any manner by the Proposed Transaction, as PNM will continue to abide and to be bound by existing applicable NMPRC rules, regulations, and orders.

O. PNM will continue to abide and be bound by the commitments set forth in all stipulations that are currently in effect until the commitments expire on their own accord or the Commission enters orders that supersede such commitments.

31. The Proposed Transaction and related commitments maintain or strengthen existing benefits and protections to ensure PNM will continue to provide reasonable and proper utility service at fair, just, and reasonable rates.

32. With its strong track record of the development of renewable and sustainable energy, Avangrid is uniquely situated to support PNM's transformation of its generation portfolio to carbon-free resources. The Proposed Transaction will enhance PNM's ability to transform its generation portfolio to meet the requirements of the Energy Transition Act and other renewable energy and sustainability initiatives.

33. As part of Avangrid, PNM will have the support of a well-qualified, financially strong parent with greater access to capital markets, which may provide additional indirect financial benefits to PNM's operations, which will, in turn, help secure PNM's ability to provide cost-effective and reliable service to the communities it serves.

34. As a part of Avangrid, PNM may have access to more efficient and cost-effective procurement of necessary materials, equipment, and services.

35. PNM will have access to best practices from Avangrid and Iberdrola.

36. PNM will continue to provide reasonable and proper utility service at fair, just, and reasonable rates because the Proposed Transaction will not result in any material or adverse effect on the operations of PNM.

37. The specific commitments of the Joint Applicants and benefits of the Proposed Transaction are identified in the Merger Agreement, GDP, and witness testimonies.

V. SERVICE AND NOTICE OF APPLICATION

38. Joint Applicants will serve a copy of this Joint Application and supporting direct testimony and Exhibits on the parties to PNM's last rate case: NMPRC Case No. 16-00276-UT, including the New Mexico Attorney General, and will provide public notice of this filing in accordance with the requirements of the PUA, the Commission's Rules of Practice and Procedure, and the directives of the Commission. Joint Applicant's Proposed Form of Notice to Customers is attached as Exhibit A.

VI. REQUESTED APPROVALS AND AUTHORIZATIONS FOR THE TRANSACTION

39. Pursuant to NMSA 1978, Section 62-6-13, upon the filing of an Application for merger, "the commission shall promptly investigate the same, with such hearing and upon such notice as the commission may prescribe, and unless the commission shall find that the proposed transaction is unlawful or is inconsistent with the public interest, it shall give its consent and approval in writing."

40. Joint Applicants request that the Commission approve the Proposed Transaction, pursuant to NMSA 1978, Sections 62-6-12 and 62-6-13, of the merger of NM Green with and into PNMR, the acquisition of PNMR by Avangrid under the Merger Agreement, and the transfer of PNMR to Networks as lawful and not inconsistent with the public interest.

41. Pursuant to Rule 450.10 and NMSA 1978, Section 62-6-19(C)(2), Joint Applicants request approval of PNM's 2021 GDP in order to engage in the proposed merger and associated Class II transaction of forming new indirect public utility holding companies of PNM. Approval of the 2021 GDP is in the public interest because PNM's ability to provide reasonable and proper utility service at fair, just, and reasonable rates will not be adversely and materially affected by the

proposed Class II transaction or its resulting effect; the representations required by Rule 450.10 have been made; the information required by Rule 450.10 has been provided; and the level of investment for the proposed Class II transaction is reasonable.

42. Pursuant to Rule 450.19(D), Joint Applicants request approval of a limited variance from Rule 450.10(B)(1) and Rule 450.13(A)(2), with respect to the provision of information pertaining to affiliates and subsidiaries of Iberdrola.

WHEREFORE, in order to complete the Proposed Transaction and related merger, Joint Applicants request that the Commission grant the following approvals and authorizations:

A. Approve the Proposed Transaction authorizing: (1) NM Green to merge with and into PNMR, with PNMR as the surviving business entity; and (2) PNMR to be transferred to Networks, such that PNMR would become a direct wholly-owned subsidiary of Networks and an indirect wholly-owned subsidiary of Avangrid;

B. Approve PNM's 2021 GDP pursuant to Rule 450, and the requested variance thereto, thereby allowing the requested Class II transaction; and

C. Grant such other approvals, authorizations, consents, and relief as the Commission deems necessary and appropriate to consummate and implement to Proposed Transaction, PNM's GDP, and related transactions.

Respectfully submitted this 23rd day of November 2020,

**AVANGRID, INC., AVANGRID
NETWORKS, INC.,
AND NM GREEN HOLDINGS, INC.**

/s/ Brian J. Haverly

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**PUBLIC SERVICE COMPANY OF
NEW MEXICO**

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GCG#527320

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION)
OF AVANGRID, INC., AVANGRID NETWORKS,)
INC., NM GREEN HOLDINGS, INC., PUBLIC)
SERVICE COMPANY OF NEW MEXICO AND)
PNM RESOURCES, INC. FOR APPROVAL OF)
THE MERGER OF NM GREEN HOLDINGS, INC.)
WITH PNM RESOURCES, INC.; APPROVAL OF A)
GENERAL DIVERSIFICATION PLAN; AND ALL) Case No. 20-___-UT
OTHER AUTHORIZATIONS AND APPROVALS)
REQUIRED TO CONSUMMATE AND IMPLEMENT)
THIS TRANSACTION)
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AVANGRID, INC., AVANGRID NETWORKS, INC.,)
NM GREEN HOLDINGS, INC., PUBLIC)
SERVICE COMPANY OF NEW MEXICO AND PNM)
RESOURCES, INC.,)
)
JOINT APPLICANTS.)
)
)

NOTICE

NOTICE is hereby given of the following proceeding and hearing pertaining to proposed merger and acquisition actions involving Public Service Company of New Mexico (“PNM”) in the above-captioned case pending before the New Mexico Public Regulation Commission (“Commission” or NMPRC):

On November 23, 2020, the Joint Applicants identified hereafter filed a Joint Application with the Commission requesting approval of a Merger Agreement (together with related action and documents, the “Proposed Transaction”). The Joint Applicants are: Avangrid, Inc. (“Avangrid”), a New York corporation; Avangrid Networks, Inc. (“Networks”), a Maine Corporation; NM Green Holdings, Inc. (“NM Green”), a New Mexico corporation; PNM, a New Mexico corporation; and PNM Resources, Inc. (“PNMR”), a New Mexico corporation. Specifically, approvals are sought for (1) the

EXHIBIT A

merger of NM Green with and into PNMR, under NMSA 1978, Sections 62-6-12 and 62-6-13, following which PNMR will be the surviving corporation and will be a wholly-owned subsidiary of Avangrid (“Merger”); (2) Avangrid’s transfer of 100% ownership in PNMR to Networks subsequent to the Merger; (3) PNM’s 2021 General Diversification Plan (“2021 GDP”), which replaces any previous diversification plans and is filed in connection with the Class II transaction contemplated by the Proposed Transaction pursuant to 17.6.450 NMAC (“Rule 450”), together with requested limited variances to Rule 450; and (4) such other and further approvals, consents, authorizations, and relief that may be required under the New Mexico Public Utility Act.

The approval of the Commission is required for the Merger and the Proposed Transaction, and PNM’s 2021 GDP and limited variances to Rule 450, all as fully described in the Application and supporting testimonies and exhibits.

PNM is certified and authorized to conduct the business of providing public utility service within the State of New Mexico, provides electric utility service within the State of New Mexico, and is a public utility as defined by the Public Utility Act.

The Commission has assigned Case No. 20-_____-UT to the Joint Application and all correspondence, pleadings, and other communications shall refer to that case number. The present schedule for this case is as follows:

Any person desiring to intervene to become a party ("intervenor") shall file a motion for leave to intervene in conformity with Commission Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before <<Month Day, Year>>.

The Commission's Utility Division Staff shall, and any intervenor may, file Direct Testimony on or before <<Month Day, Year>>.

EXHIBIT A

Rebuttal Testimony may be filed on or before <<Month Day, Year>>.

Any person whose testimony has been filed shall attend the hearing and submit to examination under oath. Parties and interested persons should read the Procedural Order issued on <<Month Day, Year>>, to learn more procedural deadlines for this case.

Public comment shall be taken at the commencement of the public hearing in this matter on <<Month Day, Year>> at 9:00 a.m. MST. As part of the public hearing, public comment will be taken via the Zoom platform. Therefore, persons interested in providing public comment must request a Zoom invitation by emailing Ana Kippenbrock at Ana.Kippenbrock@state.nm.us by no later than 5:00 p.m. MDT on <<Month Day, Year>>. Public comments shall be limited to 3 minutes per speaker. Public comment shall not be considered as evidence in this case.

In lieu of public comment, interested persons may also submit written comments to the Commission at the email address specified below. Written comments shall reference NMPRC Case No. 20-_____-UT, and shall be to the Commission via its Records Bureau's email address, as set out on the Commission's webpage, at: prc.records@state.nm.us. Written comments will not be considered as evidence in this proceeding. See 1.2.2.23(F) NMAC. New Mexico Public Regulation Commission. Interested persons may also send written comments, which shall reference Case No. 20-_____-UT, to the Commission at the following mailing address:

New Mexico Public Regulation Commission
P.O. Box 1269 Santa Fe
NM 87504-1269

The procedural dates and requirements provided herein are subject to further order of the Commission or Hearing Examiner. Interested persons should contact the

EXHIBIT A

Commission at 505-827-6956 for confirmation of the hearing date, time and place since hearings are occasionally rescheduled.

The Commission's Rules of Procedure, 1.2.2 NMAC, apply except as modified by order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission at the address set out below and are available at the official NMAC website, <http://www.nmprc.state.nm.us/nmac/>.

Any interested person may examine the Joint Application filed in this case at PNM's offices, 414 Silver Avenue, SW, Albuquerque, New Mexico, telephone number 505-241-2700, on PNM's website <https://pnm.com/regulatory> or contact the Commission, telephone number 505-827-1269, 888-427-5772; or access the Commission's website at <https://edocket.nmprc.state.nm.us>. This case has been docketed as Case No. 20-____-UT and any inquiries should refer to that number.

Anyone filing pleadings, documents or testimony in this case shall, until further notice, comply with the Commission's electronic filing policy, as amended from time to time. This includes filings in .pdf format, with electronic signatures, sent to the Records Bureau's email address, as set out on the Commission's website, at: prc.records@state.nm.us within regular business hours of the due date, in order to be considered timely filed. Documents received after regular business hours will be considered as being filed the next business day. Regular business hours are from 8:00 a.m. to 5:00 p.m. Mountain Time (MT). Parties shall serve a copy on all parties of record and Staff. All filings shall be emailed on the date they are filed with the Commission. In addition, all filings shall be emailed to the Hearing Examiner on the date filed at <<Hearing Examiner E-mail Address>> by no later than 5:00 p.m. MT. Such emailing shall include the Word or other native version of the filing (e.g.,

EXHIBIT A

Excel or Power Point) if created in such format. Any filings not emailed to the Hearing Examiner in compliance with the requirements of this Order are subject to being summarily rejected and stricken from the record in the Hearing Examiner's discretion.

Any person with a disability requiring special assistance in order to participate in this proceeding should contact the offices of the Commission at least 24 hours prior to the commencement of the hearing.

ISSUED at Santa Fe, New Mexico, this _____ day of _____, 2020.

NEW MEXICO PUBLIC REGULATION COMMISSION

Hearing Examiner

GCG#527328