PUC DOCKET NO. 58964

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR AUTHORITY TO CHANGE RATES

PREPARED DIRECT TESTIMONY OF JAY JOYCE

NOVEMBER 14, 2025

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I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jay Joyce. My business address is Expergy®, PO Box 131185, Dallas, Texas, 75313.

Q. WHAT SERVICES DOES EXPERGY OFFER?

A. Founded in 2008, Expergy provides expert consulting services to the energy and utility industries. These services include utility rate design, cost allocation, cash working capital studies, depreciation and valuation studies, rate case assistance, expert testimony, and other related consulting services.

Q. WHAT ARE YOUR POSITION AND PRIMARY CLIENT RESPONSIBILITIES WITH EXPERGY?

A. I am the president of the firm. My client responsibilities include preparing and presenting analyses relating to pricing and rate design matters, cost of service and revenue requirement issues, cash working capital studies, customer and weather normalization, and other gas, electric, water, and wastewater related matters.

Q. BRIEFLY DESCRIBE YOUR QUALIFICATIONS.

A. I graduated from the University of Texas in 1986 with a Bachelor of Business Administration degree in Finance. In 1989, I earned a Master of Business Administration degree from Southern Methodist University. While at Southern Methodist University, I was employed by Reed-Stowe & Co. as a Senior Consultant. My responsibilities at Reed-Stowe included developing and presenting analyses and testimony concerning revenue requirements, cost

allocation, and rate design for water, wastewater, gas, electric, and cable utilities.

In 1995, I joined the Management Consulting division of the Dallas office of Deloitte & Touche LLP (now Deloitte Consulting) as a Manager. In 1997, I was promoted to Senior Manager. My responsibilities included project management for a wide range of utility-related projects including merger and acquisition analyses, merger synergy analyses, cost of service studies, management audits, cash working capital studies, and preparation of expert testimony before various commissions, courts, and other governmental authorities.

In January 2003, I resigned from Deloitte to join Management Applications Consulting (MAC), a small Pennsylvania professional services firm specializing in utility rate matters. In 2004, four professionals, including several MAC partners and myself, formed Alliance Consulting Group, a professional services firm headquartered in Dallas and focused on the utility industry. In December 2008, I sold my interest in the Alliance partnership, and I launched my own consulting firm, Expergy

Q. HAVE YOU PREVIOUSLY TESTIFIED AS AN EXPERT WITNESS?

A. Yes. I have previously testified before, or submitted written testimony to, the Public Utility Commission of Texas ("Commission"), the Federal Energy Regulatory Commission, the Public Utilities Commission of Ohio; the Arkansas Public Service Commission; the Railroad Commission of Texas; the Public Service Commission of West Virginia; the Texas Commission on

Environmental Quality; the Virginia State Corporation Commission; the U.S. District Court for the Northern District of California; the U.S. District Court for the Northern Division of Texas; the District Court of Travis County, Texas (419th Judicial District); and the Superior Court of Fulton County, Georgia. Exhibit JJJ-1 provides a listing of the utility proceedings in which I have appeared as an expert witness, participated as an expert, or made formal presentations in utility matters.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of Texas-New Mexico Power Company ("TNMP" or the "Company").

II. INTRODUCTION

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to present and support the lead-lag study used to measure the cash working capital ("CWC") allowance required for the Company's operations, consistent with 16 TAC § 25.231(c)(2)(B)(iii), which is attached as Exhibit JJJ-2.

Q. WHAT IS THE DEFINITION OF CWC AS A RATE BASE COMPONENT?

A. CWC is a component of utility rate base that is the average amount of capital provided by investors to bridge the gap between the time expenditures are required to provide services and the time collections are received for such services.

Q. WOULD YOU EXPLAIN THE PURPOSE OF THE RATE BASE, AND THE ROLE OF CWC, IN THE REGULATORY PROCESS?

A. Yes. It is a common practice for regulators to establish the total costs incurred in providing service (the "Cost of Service") and to use the Cost of Service, with appropriate adjustments, as the revenue requirement from which rates are fixed and charged for the services provided. Texas follows this approach in accordance with state law. A significant component of Cost of Service is the cost of financing the investor capital required to build facilities and maintain ongoing operations. Portions of such capital funding by investors, such as the capital required to build plant facilities or to maintain supplies, are readily available in the financial statements. Certain other funding requirements are not explicitly measured from a single account in the Company's financial records; thus, the level of funding used to support these investor capital requirements must be determined through special analyses. One such analysis has traditionally been labeled a "lead lag study," which determines the cash working capital that the utility requires for the purposes I noted earlier. Texas recognizes CWC as a component of rate base under 16 TAC 25.231(c)(2)(B) and provides for use of a lead-lag study to determine the CWC allowance, along with certain other specified components (e.g., reasonable inventories and prepayments). When the various components of the rate base, including CWC, are adequately identified and combined, a correct measure of investor capital funding is produced. Below I describe in more detail the meaning of the terms "lead" and "lag."

Q. DID YOU CONDUCT THE COMPANY'S LEAD-LAG STUDY PRESENTED IN THIS PROCEEDING?

A. Yes. A summary of the lead-lag study is attached as Exhibit JJJ-4, and the results of the lead-lag study are attached as Exhibit JJJ-3.

Q. DO YOU SPONSOR OR CO-SPONSOR ANY SCHEDULES IN THE COMPANY'S RATE FILING PACKAGE?

A. Yes, I do. I am co-sponsoring Schedule II-B-9 in the Company's Rate Filing Package as well as the work papers and other documentation supporting the lead-lag study used to prepare that schedule.

III. APPROACH TO LEAD-LAG STUDY

Q. PLEASE DESCRIBE THE GENERAL APPROACH YOU USED TO CONDUCT THE LEAD-LAG STUDY.

A. The lead-lag study reflects costs associated with a test period of July 1, 2024, through June 30, 2025 (the "Test Year"). In order to accurately measure investor supplied capital, my lead-lag study was developed using the following parameters:

(1) The lead-lag study used a cash method and did not consider non-cash items;

(2) The lead-lag study was performed in accordance with 16 TAC § 25.231(c)(2)(B)(iii). For example, to determine the lead days for expenses, the later of the invoice due date or the payment clear date was used. If the payment was made by check, check float lead (i.e., the average time between check date and encashment) was also applied to the expense lead;

(3) The amortization of those expenses that the Company classifies as "prepaid expenses" for ratemaking purposes was specifically quantified and

excluded from the revenue requirements used to calculate the Company's CWC requirements.

Q. WOULD YOU DESCRIBE THE APPLICATION OF THE TERMS "LEAD" AND "LAG" AS USED IN THE LEAD-LAG STUDY?

A. For purposes of this presentation, I have used the terms "revenue lag" and "expense lead" as follows:

(1) revenue lag - the number of days of lag time between the delivery of electric service to the Company's customers and the subsequent receipt of payments for service; and

(2) expense lead - the number of days of lead time between the service period of goods or services used by the Company to provide electric service and the payments to vendors for those goods and services.

Q. HOW DID YOU DEVELOP THE LEAD AND LAG DAYS IN YOUR CWC STUDY?

A. The revenue lag days were developed from customer billing data and the receipt of the associated funds due to factoring customer receivables. Similarly, the expense lead days for each of the various categories of system expenses were developed by measuring the period of time from when the costs were incurred until payments were made for such costs. As necessary, random samples of data were used to develop net lead or lag days based on reasonable and unbiased sampling methods. The sampling methods were typical of the methods used to develop CWC studies. The net difference between the computed revenue lag days and the computed expense lead days for the various revenue requirements categories was multiplied by the corresponding

average daily revenue requirements of the system for each category. The sum of the resulting amounts produces the net CWC required.

Q. HAVE YOU SUBMITTED AN EXHIBIT THAT REFLECTS AN ACCURATE MEASUREMENT OF THESE INVESTOR PROVIDED FUNDS?

A. Yes. Exhibit JJJ-3 contains the results of the study as those results apply to electric services provided by TNMP. The following sections describe the methods used in the calculation of the lag days for revenue collection and the lead days for expense payment.

A. Revenue Lag

Q. HOW WAS THE REVENUE LAG DEVELOPED IN THE LEAD-LAG STUDY?

A. Revenue Lag days consists of four components: (1) the *service period lag* measured from the middle of the period for which service is billed, (2) the *billing lag,* which reflects the time required to process and record bills, (3) the *collection lag* that identifies the time delay between the recording of bills and the receipt of the billed revenues, and (4) the *receipt of funds lag,* which measures the delay in the bank's clearance of deposited check payments. The total number of days produced by the sum of the four components represents the amount of time between the delivery of service to customers and the receipt of the related revenues for such service.

The first of these four components, the *service period lag*, measures the time span over which services are provided. This Commission has consistently adopted an approach which relies on the mid-point of the service period as the common point for measuring the cost incurrence and cost recovery periods.

This approach assumes that electricity is delivered evenly over the service period.

The second component is the time consumed in the billing process, or the *billing lag*. The billing lag days for both distribution and transmission revenue reflect the actual weighted-average lag days from the end of the service period to the date the bills are transmitted electronically to customers.

The third component, the *collection lag*, reflects the time between billing for the services rendered and the receipt from customers of the revenues billed. The collection lag days were determined by measuring the time between the invoice transmittal date and actual payment receipt date for each invoice.

The fourth component of the revenue recovery lag, the *receipts of funds lag*, represents the time between the receipt of funds from customers until the funds clear the banks and are available to the Company. Since all revenues are received electronically, the receipt of funds lag is zero days.

Each of these revenue lag components was totaled to arrive at the total revenue lag days of 53.21 days for the Test Year.

B. Expense Lead – Operation & Maintenance Expenses

Q. PLEASE EXPLAIN THE DEVELOPMENT OF THE OPERATIONS AND MAINTENANCE EXPENSE LEAD DAYS.

A. In determining the lead days for Operations and Maintenance ("O&M") expenses, total O&M expenses were first separated into six groups – transmission expenses, regular payroll expenses, incentive payroll expenses, affiliate company charges, amortization of prepaid expenses, and all other

third-party O&M costs (e.g., materials, services, etc.). The lead days for each of these groups were measured independently.

1. Transmission Expenses

Q. PLEASE EXPLAIN THE CALCULATION OF LEAD DAYS FOR TRANSMISSION EXPENSES.

A. Transmission Service Providers ("TSPs") bill the Company within a reasonable time after the first day of each month for the prior month's transmission service in accordance with 16 TAC § 25.202. Payments are due to the TSPs within 35 calendar days from the invoice date. The lead days were based on the average number of days between the midpoint of the service period and later of the payment clear date or the payment due date.

2. Regular Payroll

Q. HOW WERE THE LEAD DAYS FOR REGULAR PAYROLL COSTS DETERMINED?

A. The lead days for regular payroll were based upon the Company's wage payment process, which uses bi-weekly pay periods. Employees are paid on Friday, which is seven days after the end of the pay period ending on the previous Friday. The lead days for payroll costs were computed by determining the average days of service being reimbursed and adding the days between the end of each service period and the payment to employees. This calculation produces the number of total days between the midpoint of the period for which employees' costs were recorded and the disbursement of the payments.

Q. DOES YOUR LEAD-LAG STUDY CONSIDER CHECK FLOAT FOR PURPOSES OF DETERMINING THE LEAD DAYS ATTRIBUTABLE TO PAYROLL COSTS?

A. Yes, with respect to the issuance of paper check payments. The majority (over 99%) of employees are paid by direct deposit, with only a few being paid by paper check. Direct deposit payments clear on payday and thus, have no check float. Paper payroll check float was added to paper check payments and was estimated based on my experience in conducting over 50 CWC studies.

3. Incentive Pay

Q. PLEASE EXPLAIN THE CALCULATION OF LEAD DAYS FOR TNMP'S INCENTIVE PAYROLL.

A. The Company's incentive program is an annual bonus. The Company's bonuses were paid in the first quarter of 2025 and were based on calendar year 2024 performance. The lead days were based on the weighted days between the midpoint of the service period (July 1, 2024) and the date the incentives were paid on March 7, 2025.

4. Affiliate Company Transactions

Q. HOW DID YOU DERIVE THE LEAD DAYS ASSOCIATED WITH AFFILIATE COMPANY TRANSACTIONS?

A. Affiliate company transactions are settled in the month following the month in which charges were incurred. Thus, the service period is calculated as the number of days from the mid-month to the payment due date set forth in the agreement between the Company and PNMR Service Company. In all

instances, the payment due date is later than the date that the charges were actually paid. The number of lead days equals the days from the midpoint of the month being billed to the corresponding payment due date. Because these payments were made electronically, no check float was assigned.

Q. WHAT IS INTER-COMPANY BILLING?

A. Inter-company billing refers to payments among the Company's business units and the business units of other operating companies, as discussed in the direct testimony of Company witness EJ Lopez.

Q. HOW DID YOU CALCULATE THE INTER-COMPANY BILLING LEAD DAYS FOR PURPOSES OF THE CWC STUDY?

A. The Test Year transactions were used to develop a monthly net amount due to or from TNMP's business units relative to other business units. The actual monthly settlement dates were used to calculate overall weighted lead days for inter-company billing.

5. Other Third-Party O&M Expenses

Q. HOW WERE THE LEAD DAYS DETERMINED FOR THE REMAINING EXPENSES IN THE O&M EXPENSE GROUP?

A. The measure of lead days for the expenses in this group of Other O&M Expenses was based upon a sampling of these expenses recorded during the test period.

Q. **HOW WAS THE MIDPOINT OF THE SERVICE PERIOD FOR OTHER THIRD-PARTY O&M COSTS IDENTIFIED?**

A. Consistent with previous Commission rulings, the Company's study estimates the midpoint of the service period independently for each invoice rather than assuming that the invoice date is the midpoint of the service period for all invoices. Each of the sample items was carefully examined to determine the service period and the invoice due date. The available original source documentation is included as part of the work papers to Schedule II-B-9 supporting the CWC study. Lead days were calculated from the midpoint of the service period (if available) until the later of the invoice due date or the actual payment cleared date. If no information was available on the service period of a particular invoice, the invoice date was used as the assumed midpoint of the service period. This is also consistent with the previous Commission rulings.

C. Expense Lead – Current Federal Income Tax Expense

Q. WHAT ARE THE LEAD DAYS ASSIGNED TO FEDERAL INCOME TAXES?

A. As required by 16 TAC § 25.231(c)(2)(B)(iii)(IV)(-f-), the lead days for federal income taxes were calculated by measuring the days between the midpoints of the annual calendar year service periods (as the tax is incurred throughout the year) and the actual payment dates. Payment of at least 100% of the estimated tax for the year must be made in quarterly payments on April 15th, June 15th, September 15th, and December 15th. If the scheduled payment date falls on a weekend or holiday, the quarterly payment is made on the first workday after the indicated date.

E. Expense Lead – Taxes Other than Income Taxes

Q. HOW WERE THE LEAD DAYS FOR TAXES OTHER THAN INCOME TAXES MEASURED?

A. This group of taxes consists of: (1) Payroll-related taxes (FICA, Federal Unemployment, and State Unemployment), (2) Local Franchise Fees, (3) Texas State Franchise Taxes (or Gross Margin Taxes), and (4) Ad Valorem Taxes. The development of the lead or lag days for each of these taxes is described below:

1. Payroll Taxes

The payment lead for payroll taxes was calculated from the midpoint of the applicable work period to the payment date of the tax. The payment leads or lags for the FICA taxes were calculated from the liability dates for the applicable work periods to the respective payment dates or payment due dates of the taxes. Federal and State Unemployment taxes are paid in quarterly payments until the annual requirement is reached for each employee.

2. Local Franchise Taxes

To determine the average lead days for local franchise agreement payments (or local gross receipts taxes), the study analyzes TNMP's fifteen largest (by dollar volume) local gross receipts tax recipients, which collectively account for about 93% of TNMP's total gross receipts payments.

3. Ad Valorem Taxes

The lead days for ad valorem taxes are based on the Company's annual ad valorem tax payments. Lead days are measured from the midpoint of the applicable period to the later of the payment date or the payment due date.

4. Texas State Franchise Taxes

The average lag related to the Texas State Franchise Tax or "gross margin" tax is reflected in the CWC study. To determine the average lag days for State Franchise Taxes, the study utilizes the statutory payment requirements and resultant pattern. This requires that the study recognize that the Company paid State Franchise Taxes in May 2017 in order to conduct business in the State of Texas from January 1 through December 31, 2017. This calculation is consistent with the calculation of the lead and lag days for all of the other expenses and revenues included in the lead-lag study.

Q. IS YOUR CALCULATION OF THE LAG DAYS FOR THE STATE FRANCHISE TAX CONSISTENT WITH PREVIOUS RULINGS BY THIS COMMISSION?

A. Yes, it is.[1] In addition, my calculation of lag days for the State Franchise Tax is consistent with the ruling on the issue by the Railroad Commission of Texas.[2]

G. Expense Lead – Depreciation, Deferred Income Tax Expense, and Return

Q. HOW WERE THE LEAD DAYS DETERMINED AND APPLIED TO COSTS RECORDED AS DEPRECIATION, DEFERRED INCOME TAX EXPENSES, AND RETURN?

[1] *See, e.g.*, *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates,* Docket No. 38339, Order on Rehearing at Finding of Fact No. 50 (Jun. 23, 2011).

[2] *See, e.g.*, *Statement of Intent to Change the Rate CGS and Rate PT Rates of Atmos Pipeline-Texas,* GUD No. 10000, Order at Finding of Fact No. 55 (Apr. 18, 2011).

A. Consistent with 16 TAC § 25.231(c)(2)(B)(iii)(IV)(-a-), the CWC study uses the cash method and therefore excludes non-cash items, including depreciation, amortization, deferred taxes, and return.

H. Other Adjustments

1. Sales Tax Collections

Q. WHY HAVE YOU INCLUDED SALES TAX COLLECTIONS AS A REDUCTION TO CWC?

A. Sales tax collections represent a source of non-investor working capital to the Company as the Company collects these amounts from customers and has the use of these funds from the date of collection to the date the funds are remitted to the State.

2. Average Bank Balances

Q. WHY HAVE YOU INCLUDED AVERAGE BANK BALANCES?

A. The CWC study reflects check float on disbursements as an addition to expenses paid by check to reduce cash working capital. Because the Company cannot control when checks will clear the bank and because of other minimum balance requirements imposed by banks, the Company must maintain certain levels of available cash in its bank accounts. Therefore, the actual bank cash balances are included in CWC since these funds must be supplied by investors. The amount was determined from the actual daily average of cash balances.

The inclusion of average cash balances is consistent with 16 TAC § 25.231(c)(2)(B)(iii)(IV)(-e-), which states that "…the balance of cash and

working funds included in the working cash allowance calculation must consist of the average daily bank balances of all non-interest bearing demand deposits and working cash funds."

IV. CONCLUSION

Q. HAVE YOU DETAILED THE CALCULATIONS AND METHODOLOGIES FOR THE LEAD-LAG STUDY?

A. Yes. Exhibit JJJ-4 shows the specific expense lead and revenue lag days used for each of the components. The supporting documentation can be found in the work papers to Schedule II-B-9.

Q. WHAT WERE THE RESULTS OF THE LEAD-LAG STUDY?

A. The CWC requirement is $(3,346,416) as shown on Exhibit JJJ-3. I have provided this result to Company witness Kyle Sanders for inclusion in rate base.

Q. ARE THE RESULTS OF THIS LEAD-LAG STUDY REASONABLE?

A. Yes. Based on my experience and the application of the process described above, the results of the lead-lag study are fair and reasonable, and they comply with 16 TAC § 25.231(c)(2)(B)(iii) and Commission precedent.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

JAY JOYCE – REPRESENTATIVE UTILITY PROJECTS

Line	Jurisdiction	Docket	Company	Year	Description
1	Texas Natural Resource Conservation Commission (TNRCC)	7796-M & 7831-M	City of Kilgore, Texas	1989	Wholesale Revenue Requirements, Cost of Service, and Rate Design
2	Texas Public Utility Commission (PUC)	8928	Texas-New Mexico Power Company	1989	Revenue Requirements
3	Texas PUC	8585	Southwestern Bell Telephone Company	1989	Revenue Requirements
4	Texas PUC	9491	Texas-New Mexico Power Company	1990	Revenue Requirements, Prudence
5	TNRCC	8388-M	Trinity Water Reserve, Inc. d/b/a Devers Canal System	1990	Rate Base, Return, Rate Design
6	Texas PUC	10200	Texas-New Mexico Power Company	1991	Revenue Requirements, Prudence
7	N/A	N/A	TCI Cablevision of Texas, Inc.	1991	Franchise Compliance
8	Oklahoma Corp. Comm.	PUD 001346	Arkansas-Oklahoma Gas Company	1991	Cost of Service, Rate Design
9	TNRCC	8293-M	United Irrigation District of Hidalgo County, Texas	1991	Revenue Requirements, Cost of Service
10	Texas PUC	10034	Texas-New Mexico Power Company	1992	Deferred Accounting
11	Texas PUC	9892	Denton County Electric Cooperative	1992	Revenue Requirements, Settlement Negotiations
12	N/A		Southern Union Gas Company	1992	Federal Income Taxes
13	TNRCC		Culleoka Water Supply Corporation	1992	Wholesale Revenue Requirements, Cost of Service, and Rate Design *
14	TNRCC	8338-A	City of Lewisville, Texas	1993	Revenue Requirements, Cost of Service *
15	N/A	N/A	City of Paris, Texas	1993	Revenue Requirements, Cost of Service
16	TNRCC		City of Knollwood, Texas	1994	Wholesale Revenue Requirements, Cost of Service, and Rate Design
17	N/A	N/A	Rockett Special Utility District/City of Midlothian, Texas	1994	Water Supply Feasibility Analysis
Line	**Jurisdiction**	**Docket**	**Company**	**Year**	**Description**

Line	Jurisdiction	Docket	Company	Year	Description
18	Texas PUC	12065	Houston Lighting & Power Company	1994	Revenue Requirements, Restructuring Costs *
19	Texas PUC	12900	Texas-New Mexico Power Company	1994	Revenue Requirements, Rate Case Expenses *
20	TNRCC	N/A	Lakeside Utilities, Inc.	1994	Revenue Requirements, Cost of Service *
21	N/A	N/A	City of North Richland Hills, Texas	1994	Revenue Requirements, Cost of Service
22	N/A	N/A	Detroit Edison/MCN Corporation	1995	Merger Analysis
23	N/A	N/A	Illinois Power Company	1995	Merger Candidate Evaluation
24	N/A	N/A	Northern States Power/Wisconsin Electric Company	1995	Merger Analysis
25	Washington Utilities & Transportation Commission	UE-960195	Washington Natural Gas/Puget Sound Power & Light	1995	Merger Analysis, Testimony In Support of Merger
26	N/A	N/A	General Public Utilities	1996	Merger Candidate Evaluation
27	N/A	N/A	San Diego G&E/Southern California Gas Company	1996	Merger Analysis
28	Texas PUC	14980	Southwest Public Service Company/Public Service Company of Colorado	1996	Testimony In Support of Merger
29	New Mexico Public Regulation Commission (PRC)	2678	Southwest Public Service Company/Public Service Company of Colorado	1996	Testimony In Support of Merger
30	Colorado Public Service Commission	95A-513EG	Southwest Public Service Company/Public Service Company of Colorado	1996	Testimony In Support of Merger
31	N/A	N/A	Western Resources/Kansas City Power & Light	1996	Merger Analysis
32	N/A	N/A	Fort Worth Water Department	1996	Wholesale Water Revenue Requirements, Cost of Service, Rate Design
33	N/A	N/A	Nashville Metro Water Services	1996	Wastewater Cost of Service and Rate Design
34	Texas PUC	18490	TXU Electric Company	1997	Cash Working Capital (CWC)
35	N/A	N/A	Tucson Electric Power	1997	Stranded Cost Quantification
36	N/A	N/A	Cobb County Water System	1997	Sewer Development Fee Analysis

37	N/A	N/A	Fern Bluff Municipal Utility District	1997	Wastewater Contract Negotiations
38	N/A	N/A	Lower Colorado River Authority	1997	Wastewater Contract Negotiations
39	N/A	N/A	Nashville Thermal Transfer Corporation	1997	Financial Advisory Services
40	N/A	N/A	Pflugerville Water and Wastewater Utility	1997	Water and Wastewater Revenue Requirements, Cost of Service, Rate Design
41	N/A	N/A	Travis County Municipal Utility District No.4	1997	Wholesale Water Revenue Requirements, Cost of Service, Rate Design
42	N/A	N/A	Southwest Power Pool	1998	Tariff Policies and Procedures
43	N/A	N/A	Houston Public Utilities	1998	Management Audit
44	TNRCC	N/A	Trinity River Authority	1998	Management Audit
45	Texas PUC	22350	TXU Electric Company	1999	CWC
46	Texas PUC	22350	TXU SESCO Company	1999	CWC
47	N/A	N/A	Mt. Carmel Public Utilities	1999	Valuation
48	TNRCC	97-0049-UCR	Waco Water and Wastewater Utility	1999	Wholesale Water Revenue Requirements, Cost of Service, Rate Design
49	Texas Railroad Commission (RRC)	8976	Lone Star Pipeline Company	2000	CWC
50	Texas RRC	9145	TXU Gas Distribution – Dallas Distribution System	2000	CWC
51	Georgia PSC	14311-U	Atlanta Gas Light Company	2001	CWC
52	New Jersey BPU	GR02040245	Elizabethtown Gas Company	2002	CWC
53	United States Bankruptcy Court for the Northern District of Georgia	02-10835 through 02-10837	NewPower	2002	Contractual Pricing, Bankruptcy
54	Texas RRC	9400	TXU Gas Company	2003	CWC *
55	Texas PUC	28840	American Electric Power - Texas Central Company	2003	CWC
56	North Carolina UC	E-22, Sub 412	Dominion Virginia Electric Power	2004	CWC

Line	Jurisdiction	Docket	Company	Year	Description
57	PUC of Ohio	04-571-GA-AIR and 04-794-GA-AAM	Vectren Energy Delivery of Ohio	2004	CWC *

58	Texas Commission on Environmental Quality (TCEQ)	2004-0979-UCR	Chisholm Trail SUD	2005	Cost of Service, Rate Design *
59	TCEQ	2004-1120-UCR, et. al.	Aqua Texas	2005	Valuation, Cost Allocation, Revenue Requirements *
60	US District Court for the Northern District of California	C01-20289 RMW	TXU Energy Services	2006	Wholesale Gas Supply Pricing Dispute *
61	Superior Court of Fulton County, Georgia	2000-CV-20379	City of Atlanta Water Utility	2006	Water Rates *
62	Texas PUC	32093	CenterPoint Energy	2006	CWC *
63	Texas RRC	9670	Atmos Energy – Mid-Tex	2006	CWC *
64	Texas PUC	33309	American Electric Power - Texas Central Company	2006	CWC, Accumulated Deferred Federal Income Taxes (ADFIT) *
65	Texas PUC	33310	American Electric Power - Texas North Company	2006	CWC, ADFIT *
66	Oklahoma Corp. Comm.	PUD-200600285	Public Service Company of Oklahoma	2006	CWC
67	Arkansas PSC	060161-U	CenterPoint Energy Arkansas Gas	2007	Working Capital *
68	TCEQ	2006-1919-UCR	Oak Shores Water System	2007	Water Cost of Service, Rate Design *
69	Texas PUC	34040	TXU Electric Delivery Company	2007	CWC
70	TCEQ	2008-0804-UCR	Kendall County Utility Company	2008	Water & Wastewater Cost of Service & Rate Design *
71	Texas PUC	35717	Oncor Electric Delivery Company	2008	CWC
72	Texas RRC	9872	CenterPoint Energy Entex Gas – Texas Coast Division	2008	CWC *
73	New Mexico Public Regulation Commission	09-00171-UT	El Paso Electric Company	2009	CWC
74	Texas RRC	9902	CenterPoint Energy Entex Gas – Houston Division	2009	CWC *
75	TCEQ	2008-1856-UCR	City of Pecos City, Texas	2009	Water & Wastewater Cost of Service & Rate Design *
76	Virginia State Corporation Comm.	PUE-2009-0030	Appalachian Power Company	2009	CWC *

Line	Jurisdiction	Docket	Company	Year	Description
77	Texas PUC	37364	SWEPCo	2009	CWC *
78	Texas PUC	37690	El Paso Electric	2009	CWC *
79	West Virginia PSC	10-099-E-42T	Appalachian Power Company & Wheeling Power Company	2010	CWC *
80	Texas PUC	38339	CenterPoint Energy Houston Electric	2010	CWC *
81	Texas RRC	9985, 9986, 9987	CenterPoint Energy Entex Gas – Beaumont Division	2010	CWC *
82	Texas RRC	10006, 10007, 10018	CenterPoint Energy Entex Gas – Texas Coast Division	2010	CWC *
83	Texas RRC	10038	CenterPoint Energy Entex Gas – South Texas Division	2010	CWC *
84	Oklahoma Corp. Comm.	PUD-201000050	Public Service Company of Oklahoma	2010	CWC
85	Virginia State Corporation Comm.	PUE-2011-00037	Appalachian Power Company	2011	CWC *
86	New Mexico Public Regulation Commission	11-00042-UT	New Mexico Gas Company	2011	CWC
87	TCEQ	2011-1533-UCR	Monarch Utilities	2011	Water & Wastewater Cost of Service & Rate Design *
88	Texas PUC	39896	Entergy Texas, Inc.	2011	CWC *
89	Texas PUC	40020	Lone Star Transmission	2012	CWC *
90	Texas RRC	10182	CenterPoint Energy Entex Gas – Beaumont/East Texas Division	2012	CWC *
91	Texas PUC	40443	SWEPCo	2012	CWC *
92	Texas PUC	40604	Cross Texas Transmission LLC	2012	CWC *
93	Texas PUC	40606	Wind Energy Transmission Texas	2012	CWC *
94	TCEQ	2012-0065-WR	Upper Trinity Regional Water District	2012	Water Rates *
95	Virginia State Corporation Comm.	PUE-2013-00009	Appalachian Power Company	2013	CWC
96	TCEQ	2013-0865-UCR	City of Austin Water Department	2013	Wholesale Water Cost of Service & Rate Design *
97	TCEQ	2013-0509-UCR	Oak Shores Water System	2013	Water Cost of Service, Rate Design *

Line	Jurisdiction	Docket	Company	Year	Description
98	Texas PUC	41791	Entergy Texas, Inc.	2013	CWC *
99	TCEQ	2012-2707-UCR	Wiedenfeld Water Works, Inc.	2013	Water Cost of Service, Rate Design *
100	Oklahoma Corp. Comm.	PUD-201300217	Public Service Company of Oklahoma	2013	CWC
101	Virginia State Corporation Comm.	PUE-2014-00026	Appalachian Power Company	2014	CWC *
102	Texas PUC	42867	Austin Water Utilities	2014	Wholesale Wastewater Cost of Service*
103	Texas PUC	42857	Austin Water Utilities	2014	Wholesale Water Cost of Service*
104	West Virginia PSC	14-1152-E-42T	Appalachian Power Company & Wheeling Power Company	2014	CWC *
105	Texas PUC	42866	West Travis County Public Utility Agency	2014	Public Interest *
106	Public Utility Commission of Oregon	UE 294	Portland General Electric Company	2015	CWC
107	Texas PUC	44704	Entergy Texas, Inc.	2015	CWC *
108	Texas PUC	45240	Austin Water Utilities	2016	Proof of Refunds Compliance Docket
109	Texas PUC	46483	Austin Water Utilities	2016	Wholesale Water & Wastewater Rates for Shady Hollow MUD *
110	District Court, 201st Judicial Court, Travis County, Tx	D-1-GN-16-002274	West Travis County Public Utility Agency	2016	Breach of Contract *
111	Texas PUC	46245	Double Diamond Utilities, Inc.	2016	Rate Change Application *
112	Texas PUC	46449	SWEPCo	2017	CWC, ADFIT *
113	Texas PUC	48218	Manville Water Supply Corporation	2018	Wholesale Water Cost of Service*
114	Texas PUC	48371	Entergy Texas, Inc.	2018	CWC *
115	Texas PUC	48401	Texas-New Mexico Power Company	2018	CWC *
116	Texas PUC	47814	City of Forney, Texas	2018	Public Interest *
117	Texas PUC	48836	City of Round Rock, Texas	2018	Wholesale Water & Wastewater Cost of Service *
118	Texas PUC	49189	Austin Water Utilities	2019	Wholesale Water & Wastewater Cost of Service *
119	Texas PUC	49494	AEP Texas, Inc.	2019	CWC *

Line	Jurisdiction	Docket	Company	Year	Description
120	New Mexico Public Regulation Commission	19-00317-UT	New Mexico Gas Company	2019	CWC
121	Texas PUC	49225	City of Celina, Texas	2020	Retail Water Cost of Service *
122	Texas PUC	49351	Bear Creek SUD	2020	Retail Water Cost of Service *
123	Texas PUC	52075	Forest Glen Utility Company	2021	Retail Sewer Cost of Service *
124	Texas PUC	52260	El Paso Water Utilities - Public Service Board	2021	Wholesale Water Cost of Service*
125	District Court of Travis County, Texas (419th Judicial Court)	D-1-GN-18-006882	City of Magnolia	2021	Water Cost of Service *
126	US District Court for the Northern District of Texas	3:20-cv-1320E	City of Red Oak	2021	CCN Valuation & Damages *
127	New Mexico Public Regulation Commission	21-00267-UT	New Mexico Gas Company	2021	CWC
128	Federal Energy Regulatory Commission	EL20-72-000	System Energy Resources, Inc. & Entergy Services LLC	2021	CWC Allowance *
129	Oklahoma Corp. Comm.	PUD-202100055	Public Service Company of Oklahoma	2021	CWC
130	210th Judicial District Court of El Paso County, Tx	2021DCV3996	El Paso Water Utilities - Public Service Board	2021	Breach of Contract *
131	Texas PUC	53063	City of Leander	2022	Retail Water Cost of Service *
132	Texas PUC	53109	Undine Development, LLC	2022	Water & Sewer System Development Charge *
133	Texas PUC	53719	Entergy Texas, Inc.	2022	CWC *
134	Texas PUC	54608	Electric Transmission Texas	2023	CWC *
135	New Mexico Public Regulation Commission		New Mexico Gas Company	2023	CWC
136	Texas PUC	53815	Corix Utilities (Texas) Inc.	2023	Water Cost Allocation & Rate Design
137	District Court of Montgomery County (457th Judicial Court)	23-03-04135	City of Magnolia	2023	Water Cost of Service *
138	Texas PUC	56165	AEP Texas, Inc.	2024	CWC *
139	Texas PUC	56130	Draper Estate Water System	2024	Retail Water Cost of Service *

Line	Jurisdiction	Docket	Company	Year	Description
140	Texas PUC	54966	Northampton MUD	2024	Water Cost of Service *
141	Texas PUC	56427	City of Corpus Christi	2024	Retail Water Cost of Service *
142	Texas PUC	54713	Westwood Shores MUD	2024	Retail Water & Sewer Cost of Service *
143	Texas PUC	57518	Electric Transmission Texas	2025	CWC *
144	Texas PUC	58540	Southern Utilities	2025	Retail Water Cost of Service *
145	Texas PUC	58819	SWEPCo	2025	CWC *

* Indicates projects where Mr. Joyce was a testifying expert witness

16 TAC § 25.231(c)(2)(B)(iii)

(B) Working capital allowance to be composed of, but not limited to the following:

(iii) A reasonable allowance for cash working capital. The following applies in determining the amount to be included in invested capital for cash working capital:

(I) Cash working capital for electric utilities must in no event be greater than one-eighth of total annual operations and maintenance expense, excluding amounts charged to operations and maintenance expense for materials, supplies, fuel, and prepayments.

(II) For electric cooperatives, river authorities, and investor-owned electric utilities that purchase 100% of their power requirements, one-eighth of operations and maintenance expense excluding amounts charged to operations and maintenance expense for materials, supplies, fuel, and prepayments will be considered a reasonable allowance for cash working capital.

(III) Operations and maintenance expense does not include depreciation, other taxes, or federal income taxes, for purposes of subclauses (I), (II), and (V) of this clause.

(IV) For all investor-owned electric utilities a reasonable allowance for cash working capital, including a request of zero, will be determined by the use of a lead-lag study. A lead-lag study will be performed in accordance with the following criteria:

(-a-) The lead-lag study will use the cash method; all non-cash items, including but not limited to depreciation, amortization, deferred taxes, prepaid items, and return (including interest on long-term debt and dividends on preferred stock), will not be considered.

(-b-) Any reasonable sampling method that is shown to be unbiased may be used in performing the lead-lag study.

(-c-) The check clear date, or the invoice due date, whichever is later, will be used in calculating the lead-lag days used in the study. In those cases where multiple due dates and payment terms are offered by vendors, the invoice due date is the date corresponding to the terms accepted by the electric utility.

(-d-) All funds received by the electric utility except electronic transfers must be considered available for use no later than the business day following the receipt of the funds in any repository of the electric utility (e.g. lockbox, post office box, branch office). All funds received by electronic transfer will be considered available the day of receipt.

(-e-) For electric utilities the balance of cash and working funds included in the working cash allowance calculation must consist of the average daily bank balance of all non-interest bearing demand deposits and working cash funds.

(-f-) The lead on federal income tax expense must be calculated by measurement of the interval between the mid-point of the annual service period and the actual payment date of the electric utility.

(-g-) If the cash working capital calculation results in a negative amount, the negative amount must be included in rate base.

TEXAS-NEW MEXICO POWER COMPANY
CASH WORKING CAPITAL REQUIREMENT
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: JAY JOYCE

Line No.	Description	Adjusted Test Year Amount	Avg. Daily Expense	Revenue Lag Days	Expense Lead Days	Net (Lead)/Lag	Working Capital Requirement
	(a)	(b)	(c)=(b)/365	(d)	(e)	(f)=(d)+(e)	(g)=(c)*(f)
1	**Operation & Maintenance Expense**						
2	Transmission Expense	$ 178,055,926	$ 487,824	53.21	(50.21)	3.00	$ 1,463,473
3	Regular Payroll Expense	25,009,038	68,518	53.21	(15.02)	38.19	2,616,699
4	Affiliate Charges	35,232,720	96,528	53.21	(35.00)	18.21	1,757,775
5	Amortization of Prepaid Expenses			0.00	0.00	-	-
6	Other O&M Expenses	15,257,843	41,802	53.21	(24.23)	28.98	1,211,431
7	**Federal Income Taxes**						
8	Current	35,939,467	98,464	53.21	(37.50)	15.71	1,546,874
9	Deferred	0	0	0.00	0.00	0.00	0
10	Taxes Other Than Income Taxes	53,505,779	146,591	53.21	(150.79)	(97.58)	(14,304,367)
11	Depreciation Expense	0	0	0.00	0.00	0.00	0
12	Return			0.00	0.00	0.00	0
13	Subtotal						$ (5,708,115)
14	Working Funds and Other						102,347
15	Average Daily Bank Balances						2,259,351
16	Total Cash Working Capital Requirement						$ (3,346,416)

EXHIBIT JJJ-3
Page 1 of 1

TEXAS-NEW MEXICO POWER COMPANY
LEAD/LAG STUDY RESULTS
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Description	Revenue Lag Days *	Expense Lead Days	Reference
	(a)	(b)	(c)	(d)
1	Operation & Maintenance Expense			
2	Transmission Expense	53.21	(50.21)	Schedule 2
3	Regular Payroll Expense	53.21	(15.02)	Schedule 3
4	Incentive Payroll Expense	53.21	(248.50)	Schedule 4
5	Affiliate Charges	53.21	(35.00)	Schedule 5
6	Amortization of Prepaid Expenses	0.00	0.00	N/A
7	Other O&M Expenses	53.21	(24.23)	Schedule 6
8				
9	Federal Income Taxes			
10	Current	53.21	(37.50)	Schedule 7
11	Deferred	0.00	0.00	N/A
12	Total FIT			
13				
14	Taxes Other Than Income Taxes	53.21	(150.79)	Schedule 8
15				
16	Depreciation Expense	0.00	0.00	N/A
17				
18	Return	0.00	0.00	N/A
19				
20				
21				
22	Working Funds and Other		$ 102,347	Schedule 9
23	Average Daily Bank Balances		2,259,351	Schedule 10
24				
25	Source: * Schedule 1			

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
REVENUE LAG
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Revenue Type	Amount	Revenue Lag Days	Reference	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)
1	Distribution	$ 446,720,325	51.36	WP/II-B-9/1-1	$ 22,943,555,905
2					
3	Transmission	160,621,648	58.37	WP/II-B-9/1-2	9,375,485,595
4					
5	Total Collection Lag	$ 607,341,973	53.21		$ 32,319,041,500

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
FOR THE TEST YEAR ENDED JUNE 30, 2025
TRANSMISSION EXPENSES
SPONSOR: J. JOYCE

Line No.	Description	(Lead)/Lag Days
	(a)	(b)
1	Average service period	
2	(365 days/12 months)/2	(15.21)
3		
4	Days from end of Service Period to Payment	(35.00)
5		
6		
7	Total Lead Days	(50.21)

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
CALCULATION OF PAYROLL LEAD DAYS
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Biweekly Payroll Type	Payroll	Percent	Reference	(Lead)/Lag Days	Reference	Check Float	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Direct Deposit	$ 35,418,551	99.20%	WP/II-B-9/3-1	(13.43)	WP/II-B-9/3-2		(13.43)	$ (475,671,146)
2	Manual Check	285,633	0.80%	WP/II-B-9/3-1	(13.43)	WP/II-B-9/3-2	(10.00)	(23.43)	(6,692,392)
3	Net Pay	35,704,185	100.00%						
4	Employee Taxes	10,328,469			(2.90)	WP/II-B-9/3-3		(2.90)	(29,973,379)
5	Deductions	8,974,662			(35.00)	WP/II-B-9/3-5		(35.00)	(314,113,158)
6									
7	Gross Payroll	$ 55,007,315						(15.02)	$ (826,450,075)

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
FOR THE TEST YEAR ENDED JUNE 30, 2025
INCENTIVE AWARD
SPONSOR: J. JOYCE

Line No.	Description	Transaction Amount	Mid Year	Pay Date	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)
1	Incentive Award	$ 1,193,914	7/1/2024	3/7/2025	(248.50)	$ (296,687,554)
2						
3	Total	$ 1,193,914			(248.50)	$ (296,687,554)

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
OTHER O&M PAYMENTS - AFFILIATE SERVICE COMPANY BILLING
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Payment Date	Due Date	Later of Payment Date or Due Date	Amount	Service Period - Begin	Service Period - End	Mid-Point of Service Period	(Lead)/Lag Days	Weighted $ Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	7/15/2024		7/15/2024	$ 425,593	6/1/2024	6/30/2024	6/16/2024	(29.00)	$ (12,342,190)
2	7/15/2024	7/20/2024	7/20/2024	12,690,518	6/1/2024	6/30/2024	6/16/2024	(34.00)	(431,477,612)
3	8/15/2024		8/15/2024	36,272	7/1/2024	7/31/2024	7/16/2024	(29.50)	(1,070,020)
4	8/15/2024	8/20/2024	8/20/2024	10,316,748	7/1/2024	7/31/2024	7/16/2024	(34.50)	(355,927,813)
5	9/16/2024		9/16/2024	426,740	8/1/2024	8/31/2024	8/16/2024	(30.50)	(13,015,572)
6	9/16/2024	9/20/2024	9/20/2024	6,496,634	8/1/2024	8/31/2024	8/16/2024	(34.50)	(224,133,871)
7	10/15/2024		10/15/2024	392,669	9/1/2024	9/30/2024	9/16/2024	(29.00)	(11,387,396)
8	10/15/2024	10/20/2024	10/20/2024	5,464,332	9/1/2024	9/30/2024	9/16/2024	(34.00)	(185,787,298)
9	11/15/2024		11/15/2024	481,158	10/1/2024	10/31/2024	10/16/2024	(29.50)	(14,194,159)
10	11/15/2024	11/20/2024	11/20/2024	5,704,694	10/1/2024	10/31/2024	10/16/2024	(34.50)	(196,811,956)
11	12/13/2024		12/13/2024	359,020	11/1/2024	11/30/2024	11/16/2024	(27.00)	(9,693,530)
12	12/13/2024	12/20/2024	12/20/2024	6,581,835	11/1/2024	11/30/2024	11/16/2024	(34.00)	(223,782,387)
13	1/31/2025		1/31/2025	392,063	12/1/2024	12/31/2024	12/16/2024	(45.50)	(17,838,874)
14	1/31/2025	1/20/2025	1/31/2025	6,946,859	12/1/2024	12/31/2024	12/16/2024	(45.50)	(316,082,069)
15	2/16/2025		2/16/2025	355,847	1/1/2025	1/31/2025	1/16/2025	(30.50)	(10,853,326)
16	2/16/2025	2/20/2025	2/20/2025	5,562,072	1/1/2025	1/31/2025	1/16/2025	(34.50)	(191,891,495)
17	3/14/2025		3/14/2025	354,812	2/1/2025	2/28/2025	2/15/2025	(27.00)	(9,579,932)
18	3/14/2025	3/20/2025	3/20/2025	3,680,865	2/1/2025	2/28/2025	2/15/2025	(33.00)	(121,468,549)
19	4/15/2025		4/15/2025	370,561	3/1/2025	3/31/2025	3/16/2025	(29.50)	(10,931,558)
20	4/15/2025	4/20/2025	4/20/2025	4,820,135	3/1/2025	3/31/2025	3/16/2025	(34.50)	(166,294,643)
21	5/16/2025		5/16/2025	381,168	4/1/2025	4/30/2025	4/16/2025	(30.00)	(11,435,049)
22	5/16/2025	5/20/2025	5/20/2025	4,591,050	4/1/2025	4/30/2025	4/16/2025	(34.00)	(156,095,703)
23	6/16/2025	6/20/2025	6/20/2025	5,709,095	5/1/2025	5/31/2025	5/16/2025	(34.50)	(196,963,787)
24	6/16/2025		6/16/2025	8,626	5/1/2025	5/31/2025	5/16/2025	(30.50)	(263,079)
25									-
26				$ 82,549,366				(35.00)	$ (2,889,321,870)

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
OTHER O&M - THIRD PARTY O&M
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Invoice Num	Service Period - Begin	Service Period - End	MidPoint of Service Period	Payment Due Date	Payment Clear Date	Later of Due Date or Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	2425557	1/1/2025	1/31/2025	1/16/2025	3/17/2025	2/28/2025	3/17/2025	$ 3,228	(60.00)	$ (193,683)
2	1101202411	11/1/2024	11/30/2024	11/15/2024	11/10/2024	11/15/2024	11/15/2024	1,275	0.50	638
3	369523	7/14/2024	7/20/2024	7/17/2024	9/7/2024	11/27/2024	11/27/2024	10,191	(133.00)	(1,355,430)
4	213323306073124	6/5/2024	7/23/2024	6/29/2024	8/22/2024	8/20/2024	8/22/2024	3,987	(54.00)	(215,313)
5	INV2037624	4/15/2025	4/15/2025	4/15/2025	4/30/2025	4/30/2025	4/30/2025	1,176	(15.00)	(17,634)
6	1077211IN	7/9/2024	7/9/2024	7/9/2024		8/21/2024	8/21/2024	4,593	(43.00)	(197,509)
7	213323306050125	3/5/2025	4/22/2025	3/29/2025	5/27/2025	5/21/2025	5/27/2025	2,864	(59.00)	(168,948)
8	TX0125X	1/1/2025	1/31/2025	1/16/2025		2/24/2025	2/24/2025	14,008	(39.00)	(546,317)
9	30010460	3/18/2025	4/17/2025	4/2/2025	4/17/2025	4/17/2025	4/17/2025	1,077	(15.00)	(16,156)
10	693805	12/1/2024	12/31/2024	12/16/2024	12/21/2024	12/30/2024	12/30/2024	5,330	(14.00)	(74,620)
11	1316066	11/1/2024	11/30/2024	11/15/2024		12/31/2024	12/31/2024	1,787	(45.50)	(81,299)
12	2501403	1/1/2025	1/31/2025	1/16/2025	3/17/2025	2/28/2025	3/17/2025	1,002	(60.00)	(60,099)
13	582	7/1/2024	9/30/2024	8/15/2024		10/23/2024	10/23/2024	69,750	(68.50)	(4,777,875)
14	2421232	11/1/2024	11/30/2024	11/15/2024	1/14/2025	12/30/2024	1/14/2025	3,336	(59.50)	(198,501)
15	TNMP24GC1012	12/4/2024	1/25/2025	12/30/2024	2/25/2025	11/27/2024	2/25/2025	18,600	(57.00)	(1,060,200)
16	213323306020425	12/4/2024	2/2/2025	1/3/2025	2/25/2025	2/24/2025	2/25/2025	2,096	(53.00)	(111,093)
17	213323306060225	4/4/2025	5/22/2025	4/28/2025	6/24/2025	6/20/2025	6/24/2025	1,504	(57.00)	(85,726)
18	92329082	7/14/2024	7/21/2024	7/17/2024	8/20/2024	8/20/2024	8/20/2024	27,410	(33.50)	(918,230)
19	S100054189	12/4/2024	12/4/2024	12/4/2024	1/4/2025	2/12/2025	2/12/2025	1,142	(70.00)	(79,966)
20	4694	7/14/2024	7/20/2024	7/17/2024	8/24/2024	8/23/2024	8/24/2024	348,372	(38.00)	(13,238,130)
21	97854	10/1/2024	10/31/2024	10/16/2024	10/31/2024	12/17/2024	12/17/2024	1,444	(62.00)	(89,498)
22	25658	12/20/2024	12/19/2025	6/20/2025	1/31/2025	1/31/2025	1/31/2025	9,891	140.00	1,384,684
23	9816031025	3/1/2025	3/31/2025	3/16/2025	3/19/2025	3/21/2025	3/21/2025	1,704	(5.00)	(8,518)
24	602	10/1/2024	10/31/2024	10/16/2024		12/6/2024	12/6/2024	1,500	(51.00)	(76,500)
25	1623	9/1/2024	9/1/2024	9/1/2024	9/16/2024	9/16/2024	9/16/2024	1,245	(15.00)	(18,673)
26	5210	3/1/2025	3/31/2025	3/16/2025		4/25/2025	4/25/2025	11,723	(40.00)	(468,939)
27	213323306030525	1/2/2025	2/25/2025	1/29/2025	3/26/2025	3/25/2025	3/26/2025	3,791	(56.00)	(212,315)
28	83250584691	5/7/2025	5/7/2025	5/7/2025		6/6/2025	6/6/2025	1,859	(30.00)	(55,765)
29	TX0525X	5/1/2025	5/31/2025	5/16/2025		7/2/2025	7/2/2025	13,493	(47.00)	(634,185)
30	11826179	7/1/2024	7/31/2024	7/16/2024		9/20/2024	9/20/2024	11,585	(66.00)	(764,600)
31	2044301	3/3/2025	3/31/2025	3/17/2025		4/30/2025	4/30/2025	2,495	(44.00)	(109,780)
32	18328	7/22/2024	7/22/2024	7/22/2024	8/30/2024	8/30/2024	8/30/2024	3,692	(39.00)	(143,985)
33	2506495	4/1/2025	4/30/2025	4/15/2025	6/14/2025	5/30/2025	6/14/2025	1,143	(59.50)	(68,014)
34	37556	4/1/2025	4/15/2025	4/8/2025	5/15/2025	4/30/2025	5/15/2025	1,450	(37.00)	(53,650)
35	0210004400000101524	9/9/2024	10/7/2024	9/23/2024	11/1/2024	10/29/2024	11/1/2024	1,636	(39.00)	(63,794)
36	2024003	7/10/2024	7/20/2024	7/15/2024	9/16/2024	9/26/2024	9/26/2024	183,407	(73.00)	(13,388,716)
37	10012995	10/1/2024	10/31/2024	10/16/2024		11/27/2024	11/27/2024	61,831	(42.00)	(2,596,921)
38	4704	8/5/2024	8/10/2024	8/7/2024	9/9/2024	9/9/2024	9/9/2024	21,044	(32.50)	(683,921)
39	001995TAX	1/21/2025	1/23/2025	1/22/2025	3/2/2025	3/27/2025	3/27/2025	2,841	(64.00)	(181,812)
40	1027687042925	4/30/2025	4/30/2025	4/30/2025		5/30/2025	5/30/2025	4,357	(30.00)	(130,712)
41	5181	1/1/2025	1/31/2025	1/16/2025		3/3/2025	3/3/2025	11,723	(46.00)	(539,280)
42	25716	8/7/2024	8/31/2024	8/19/2024		10/2/2024	10/2/2024	1,668	(44.00)	(73,400)

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
OTHER O&M - THIRD PARTY O&M
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Invoice Num	Service Period - Begin	Service Period - End	MidPoint of Service Period	Payment Due Date	Payment Clear Date	Later of Due Date or Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
43	686973	9/1/2024	9/30/2024	9/15/2024	9/21/2024	9/20/2024	9/21/2024	5,330	(5.50)	(29,315)
44	51	4/1/2025	4/30/2025	4/15/2025		5/9/2025	5/9/2025	1,860	(23.50)	(43,710)
45	0216443IN	9/25/2024	9/25/2024	9/25/2024	10/25/2024	10/25/2024	10/25/2024	2,669	(30.00)	(80,063)
46	9158665310	2/25/2025	2/25/2025	2/25/2025	3/27/2025	3/27/2025	3/27/2025	1,028	(30.00)	(30,827)
47	10016468	11/1/2024	11/30/2024	11/15/2024		12/26/2024	12/26/2024	42,210	(40.50)	(1,709,513)
48	213323306070124	5/6/2024	6/26/2024	5/31/2024	7/23/2024	7/19/2024	7/23/2024	2,964	(52.50)	(155,632)
49	1063426-00012-TX	11/24/2024	11/24/2024	11/24/2024		12/12/2024	12/12/2024	1,683	(18.00)	(30,298)
50	213323306020425	12/4/2024	2/2/2025	1/3/2025	2/25/2025	2/24/2025	2/25/2025	3,709	(53.00)	(196,557)
51	CI0023679	4/1/2025	4/30/2025	4/15/2025	6/24/2025	6/18/2025	6/24/2025	1,839	(69.50)	(127,815)
52	203473	8/12/2024	8/21/2024	8/16/2024		9/12/2024	9/12/2024	2,311	(26.50)	(61,242)
53	71Y61524	7/6/2024	7/13/2024	7/9/2024		9/24/2024	9/24/2024	1,174	(76.50)	(89,826)
54	1496444	12/16/2024	12/28/2024	12/22/2024	1/27/2025	1/27/2025	1/27/2025	44,560	(36.00)	(1,604,154)
55	213323306030525	1/3/2025	2/25/2025	1/29/2025	3/26/2025	3/25/2025	3/26/2025	1,406	(55.50)	(78,040)
56	2022724	11/6/2024	11/20/2024	11/13/2024		12/26/2024	12/26/2024	1,335	(43.00)	(57,384)
57	1719	3/1/2025	3/1/2025	3/1/2025	3/16/2025	3/14/2025	3/16/2025	1,797	(15.00)	(26,954)
58	2501112	1/30/2025	1/30/2025	1/30/2025	3/2/2025	5/15/2025	5/15/2025	16,920	(105.00)	(1,776,599)
59	0815001971	7/1/2024	6/30/2025	12/30/2024	8/29/2024	9/24/2024	9/24/2024	152,083	97.00	14,752,039
60	30010549	4/18/2025	5/17/2025	5/2/2025	5/16/2025	5/16/2025	5/16/2025	1,077	(13.50)	(14,541)
61	26077	10/3/2024	10/3/2024	10/3/2024	11/2/2024	10/31/2024	11/2/2024	5,185	(30.00)	(155,555)
62	72U49324	7/6/2024	7/13/2024	7/9/2024		9/24/2024	9/24/2024	17,104	(76.50)	(1,308,435)
63	2129	10/12/2024	10/12/2024	10/12/2024		1/7/2025	1/7/2025	1,100	(87.00)	(95,700)
64	183602565	9/26/2024	9/26/2024	9/26/2024	10/26/2024	10/25/2024	10/26/2024	1,683	(30.00)	(50,480)
65	0210004400000041525	3/5/2025	4/2/2025	3/19/2025	5/1/2025	5/5/2025	5/5/2025	1,016	(47.00)	(47,736)
66	1338944	7/14/2024	7/21/2024	7/17/2024		8/29/2024	8/29/2024	23,974	(42.50)	(1,018,909)
67	213323306060225	5/4/2025	5/22/2025	5/13/2025	6/24/2025	6/20/2025	6/24/2025	3,502	(42.00)	(147,082)
68	369594	7/21/2024	7/27/2024	7/24/2024	9/19/2024	11/27/2024	11/27/2024	5,203	(126.00)	(655,519)
69	3841202F	7/15/2024	7/21/2024	7/18/2024	8/29/2024	8/29/2024	8/29/2024	30,137	(42.00)	(1,265,763)
70	651	5/1/2025	5/31/2025	5/16/2025		7/3/2025	7/3/2025	2,250	(48.00)	(108,000)
71	9400366761	12/31/2024	12/31/2024	12/31/2024	1/30/2025	3/28/2025	3/28/2025	1,565	(87.00)	(136,162)
72	1701	2/1/2025	2/1/2025	2/1/2025	2/16/2025	2/14/2025	2/16/2025	1,245	(15.00)	(18,673)
73	213323306030525	1/3/2025	2/25/2025	1/29/2025	3/26/2025	3/25/2025	3/26/2025	6,500	(55.50)	(360,730)
74	37215	10/16/2024	10/31/2024	10/23/2024	11/30/2024	11/19/2024	11/30/2024	1,160	(37.50)	(43,500)
75	1744	5/1/2025	5/1/2025	5/1/2025	5/10/2025	5/16/2025	5/16/2025	1,631	(15.00)	(24,461)
76	1154	2/1/2025	2/28/2025	2/14/2025	3/4/2025	3/17/2025	3/17/2025	1,700	(30.50)	(51,850)
77	72Q35324	7/13/2024	7/20/2024	7/16/2024		9/16/2024	9/16/2024	8,047	(61.50)	(494,910)
78	1070961-00012-TX	1/5/2025	1/5/2025	1/5/2025		1/21/2025	1/21/2025	2,734	(16.00)	(43,746)
79	PNM042025	4/17/2025	5/16/2025	5/1/2025		6/30/2025	6/30/2025	24,101	(59.50)	(1,433,996)
80	11561	7/8/2024	7/21/2024	7/14/2024		9/18/2024	9/18/2024	281,331	(65.50)	(18,427,170)
81	1682	1/1/2025	1/1/2025	1/1/2025	1/16/2025	1/16/2025	1/16/2025	1,705	(15.00)	(25,574)
82	580907	6/30/2024	6/30/2024	6/30/2024	7/30/2024	8/22/2024	8/22/2024	1,512	(53.00)	(80,113)
83	369526	7/14/2024	7/20/2024	7/17/2024	9/8/2024	11/27/2024	11/27/2024	9,400	(133.00)	(1,250,203)
84	SI39653	10/21/2024	10/21/2024	10/21/2024	11/20/2024	11/24/2024	11/24/2024	2,030	(34.00)	(69,009)

TEXAS-NEW MEXICO POWER COMPANY
OTHER O&M - THIRD PARTY O&M
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Invoice Num	Service Period - Begin	Service Period - End	MidPoint of Service Period	Payment Due Date	Payment Clear Date	Later of Due Date or Clear Date	Amount	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
85	92341560	7/15/2024	7/18/2024	7/16/2024	9/17/2024	9/18/2024	9/18/2024	16,106	(63.50)	(1,022,732)
86	213323306093024	9/3/2024	9/25/2024	9/14/2024	10/22/2024	10/18/2024	10/22/2024	2,827	(38.00)	(107,416)
87	PSINV135500	1/1/2025	12/31/2025	7/2/2025	2/5/2025	2/5/2025	2/5/2025	1,563	147.00	229,688
88	20059	7/6/2024	7/13/2024	7/9/2024		8/6/2024	8/6/2024	16,750	(27.50)	(460,632)
89	213323306040225	9/3/2024	9/25/2024	9/14/2024	10/22/2024	4/22/2025	4/22/2025	1,544	(220.00)	(339,651)
90	694339	1/1/2025	12/31/2025	7/2/2025	12/30/2024	12/30/2024	12/30/2024	153,056	184.00	28,162,243
91	18289	7/9/2024	7/19/2024	7/14/2024	8/30/2024	8/30/2024	8/30/2024	314,681	(47.00)	(14,790,004)
92	E34973	7/6/2024	7/13/2024	7/9/2024	8/18/2024	7/30/2024	8/18/2024	47,846	(39.50)	(1,889,917)
93	849564	6/1/2024	6/30/2024	6/15/2024		7/31/2024	7/31/2024	31,254	(45.50)	(1,422,059)
94	4706	8/5/2024	8/10/2024	8/7/2024	9/9/2024	9/9/2024	9/9/2024	16,469	(32.50)	(535,247)
95	6107631434	2/4/2025	3/3/2025	2/17/2025	4/2/2025	3/20/2025	4/2/2025	2,954	(43.50)	(128,499)
96	213323306060225	4/4/2025	5/22/2025	4/28/2025	6/24/2025	6/20/2025	6/24/2025	2,418	(57.00)	(137,839)
97										
98	Total							$ 2,207,484	(24.23)	$ (53,490,158)

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
FEDERAL INCOME TAX
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Payment Date	Mid-Year	(Lead)/Lag Days	Percent of Total Taxes for Year	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)
1	9/16/2024	7/1/2024	(76.500)	25.00%	(19.13)
2					
3	12/16/2024	7/1/2024	(167.500)	25.00%	(41.88)
4					
5	4/15/2025	7/2/2025	78.000	25.00%	19.50
6					
7	6/16/2025	7/2/2025	16.000	25.00%	4.00
8					
9	**Total**				(37.50)

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
TAXES OTHER THAN INCOME TAXES
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Description	Amount	(Lead)/Lag Days	Weighted Dollar Days	Reference
	(a)	(b)	(c)	(d)	(e)
1	FICA	$ 1,698,443	(2.91)	$ (4,942,469)	WP/II-B-9/8-1
2					
3	Federal Unemployment	8,016	46.86	375,630	WP/II-B-9/8-2
4					
5	State Unemployment	9,412	47.18	444,058	WP/II-B-9/8-3
6					
7	Local Franchise Fees	19,322,137	(84.43)	(1,631,367,986)	WP/II-B-9/8-4
8					
9	Texas State Franchise Tax (Gross Margin Tax)	1,197,361	46.42	55,581,498	WP/II-B-9/8-5
10					
11	Ad Valorum	27,829,681	(214.49)	(5,969,188,269)	WP/II-B-9/8-6
12					
13	Total	$ 50,065,049	(150.79)	$ (7,549,097,538)	

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
TEXAS SALES TAX
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Beginning of Period Date	Ending of Period Date	Mid-Point of Service	Date Paid	Amount Paid	(Lead)/Lag Days	Weighted Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	7/1/2024	7/31/2024	7/16/2024	8/20/2024	$ 97,502	(35.00)	$ (3,412,555)
2	8/1/2024	8/31/2024	8/16/2024	9/20/2024	109,487	(35.00)	(3,832,036)
3	9/1/2024	9/30/2024	9/15/2024	10/21/2024	79,583	(35.50)	(2,825,208)
4	10/1/2024	10/31/2024	10/16/2024	11/20/2024	87,482	(35.00)	(3,061,877)
5	11/1/2024	11/30/2024	11/15/2024	12/20/2024	31,037	(34.50)	(1,070,760)
6	12/1/2024	12/31/2024	12/16/2024	1/21/2025	231,527	(36.00)	(8,334,983)
7	1/1/2025	1/31/2025	1/16/2025	2/20/2025	513,461	(35.00)	(17,971,142)
8	2/1/2025	2/28/2025	2/14/2025	3/20/2025	446,682	(33.50)	(14,963,836)
9	3/1/2025	3/31/2025	3/16/2025	4/21/2025	178,374	(36.00)	(6,421,451)
10	4/1/2025	4/30/2025	4/15/2025	5/20/2025	67,595	(34.50)	(2,332,041)
11	5/1/2025	5/31/2025	5/16/2025	6/20/2025	131,979	(35.00)	(4,619,271)
12	6/1/2025	6/30/2025	6/15/2025	7/21/2025	63,297	(35.50)	(2,247,043)
13							
14					$ 2,038,006		$ (71,092,200)
15	Lead Days						(34.88)
16	Collection Lag						53.21
17	Net (Lead)/Lag Days						18.33
18							
19	Average Daily Amount						5,584
20	Sales Tax Cash Working Capital Amount						$ 102,347

See Schedule II-B-9 Work Papers and Supporting Documents

TEXAS-NEW MEXICO POWER COMPANY
AVERAGE DAILY BANK BALANCES
FOR THE TEST YEAR ENDED JUNE 30, 2025
SPONSOR: J. JOYCE

Line No.	Account #	Average Daily Balance
	(a)	(b)
1	XXXXXX4376	$ 1,631,901
2	XXXXXX8159	627,450
3		
4	Average Bank Balances	$ 2,259,351

See Schedule II-B-9 Work Papers and Supporting Documents

APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR AUTHORITY TO CHANGE RATES

WORKPAPERS FOR THE DIRECT TESTIMONY OF JAY JOYCE

TNMP Witness Jay Joyce has no supporting workpapers for his direct testimony.