

**P.U.C. 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 AND EXHIBITS  
OF  
KEITH C. NIX**

**ON BEHALF OF  
TEXAS-NEW MEXICO POWER COMPANY**

**NOVEMBER 14, 2025**

**TABLE OF CONTENTS**

**I. INTRODUCTION AND QUALIFICATIONS..... 1**

**II. PURPOSE OF TESTIMONY ..... 1**

**III. ORGANIZATION OF TNMP'S OPERATIONS DEPARTMENT ..... 2**

**IV. OPERATIONS AND MAINTENANCE EXPENSES ..... 3**

**V. VEGETATION MANAGEMENT ..... 5**

**VI. HURRICANE BERYL..... 14**

    Overview ..... 14

    Detail of Damage Caused by Hurricane Beryl..... 24

    Detail of Costs Incurred by Hurricane Beryl ..... 24

    Detail of Outside Reimbursement for Hurricane Beryl Expenses..... 24

    Recovery of Hurricane Beryl Costs Recovery Riders..... 25

**VII. SELF-INSURANCE RESERVE..... 25**

**VIII. DISCRETIONARY SERVICE RATE CHANGES..... 26**

**IX. CONCLUSION ..... 27**

**EXHIBITS**

**KCN-1 –EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**KCN-2 – TNMP OPERATIONS: OPERATIONS AND MAINTENANCE  
EXPENSES FOR YEARS 2018 THROUGH 2025**

**KCN-3 – VM PROGRAM COSTS**

**KCN-4 – SELF-INSURANCE RESERVE**

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PLACE OF**  
3 **EMPLOYMENT.**

4 A. My name is Keith C. Nix. I am Vice President of Operations for Texas-New Mexico Power  
5 Company ("TNMP" or "Company"). My business address is 577 N. Garden Ridge Blvd.,  
6 Lewisville, Texas 75067.

7 **Q. PLEASE DESCRIBE YOUR DUTIES AS THE COMPANY'S VICE PRESIDENT OF**  
8 **OPERATIONS**

9 A. As the Vice President of Operations, I provide executive leadership and management for  
10 TNMP's Operations organization. I direct activities related to the planning, design,  
11 construction, operation and maintenance of the TNMP transmission and distribution  
12 systems through oversight of field crews and associated management.

13 **Q. WOULD YOU BRIEFLY SUMMARIZE YOUR ACADEMIC AND PROFESSIONAL**  
14 **BACKGROUND?**

15 A. Exhibit KCN-1 describes my background and experience.

16 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY BODIES?**

17 A. Yes. Cases in which I have sponsored prior testimony are listed on page 2 of Exhibit  
18 KCN-1.

19 **II. PURPOSE OF TESTIMONY**

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

21 A. The purpose of my testimony is to:

- 22 • Provide an overview of TNMP's operations department and describe its areas of  
23 responsibility;
- 24 • Support the Operations and Maintenance ("O&M") expenses of TNMP's operations  
25 department;
- 26 • Describe the changes to TNMP's vegetation management program, including the  
27 changes approved in TNMP's System Resiliency Plan proceeding,<sup>1</sup> and support the  
28 pro forma adjustment to the test year level of VM expenses required to implement  
29 vegetation management moving forward;
- 30 • Describe the impact of Hurricane Beryl on TNMP and provide information on the costs  
31 incurred in restoring TNMP's system;
- 32 • Describe the charges to the self-insurance reserve since TNMP's last rate case;<sup>2</sup> and

---

<sup>1</sup> PUC Docket No. 56954, *Application of Texas-New Mexico Power Company for a System Resiliency Plan*, order (March 26, 2025)

<sup>2</sup> PUC Docket No. 48401, *Application of Texas New-Mexico Power Company for Authority to Change Rates*, (Dec. 20, 2018)

- 1           • Support the changes to TNMP's Discretionary Service rates.

2 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

3 A. Yes. I am sponsoring Exhibits KCN-1 through KCN-4. Each of these was prepared by  
4 me or under my supervision and are true and correct to the best of my knowledge and  
5 belief.

6 **III. ORGANIZATION OF TNMP'S OPERATIONS DEPARTMENT**

7 **Q. PLEASE PROVIDE AN OVERVIEW OF THE TNMP OPERATIONS ORGANIZATION.**

8 A. TNMP's Operations Organization is allocated along geographic lines into four main  
9 business units: Lewisville/North Texas, Central Texas, West Texas, and the Gulf Coast.  
10 Operations personnel in each area are responsible for transmission and distribution line  
11 operation and maintenance, including distribution construction activities, outage  
12 restoration, and service orders related to meters, streetlights and line spotting.

13 Each business unit is headed by an experienced Director that reports to the Vice President  
14 of Operations. Directors are responsible for overall management of operations in their  
15 areas, as well as business operations such as budgeting and cost control. In addition to  
16 field and craft personnel that perform the construction and service work, each business  
17 unit has assigned Project Managers and Field Supervisors, as well as a Community  
18 Liaison to coordinate relations and communications with local governmental entities.

19 **Q. PLEASE DESCRIBE THE TNMP OPERATIONS ORGANIZATION IN EACH OF THE  
20 FOUR BUSINESS UNITS.**

21 A. The Lewisville/North Texas business unit is headquartered in Lewisville and consists of  
22 75 employees. In addition to the Lewisville headquarters, the Lewisville/North Texas  
23 business unit also has construction centers in Olney, Nocona, Pilot Point, Princeton,  
24 Emory, and Bogata. While Lewisville is an urban area in the northwest part of the Dallas-  
25 Fort Worth Metroplex, the rest of the North Texas area within this business unit is generally  
26 characterized by largely rural areas that are geographically dispersed with a small  
27 operations staff in each office. The exception is the Princeton area, which is currently  
28 being impacted by the growth of the northeast DFW Metroplex and is now transitioning to  
29 a suburban area.

30 The Central Texas business unit is headquartered in Clifton and consists of 38 employees.  
31 The Central business unit has offices in Gatesville, Hamilton, Strawn, Glen Rose, and  
32 Whitney. These are rural areas that are also geographically dispersed with a small  
33 operations staff in each office.

1 The West Texas business unit is headquartered in Pecos and has offices in Kermit, Fort  
2 Stockton, and Sanderson. There are 35 employees in the West Texas Business Unit.  
3 Pecos is the largest office, while the remaining offices are small and dispersed over a very  
4 large area in the Permian Basin. The West Texas operations are dominated by oil and gas  
5 exploration, production and midstream operations that have grown dramatically in recent  
6 years. TNMP's operations in West Texas are characterized by numerous new service  
7 requests, many large primary distribution and transmission service customers, and  
8 numerous system upgrades that are required to accommodate the rapidly growing loads.  
9 West Texas has added data centers and large-scale battery operations in recent years  
10 that have significantly increased load in the area.

11 The Gulf Coast business unit is TNMP's largest business unit, covering approximately  
12 one-half of TNMP's customers. This business unit is headquartered in Friendswood. There  
13 are 80 Operations employees in the Gulf Coast business unit organized into three areas:  
14 Bay, Mainland and Brazos. Each of these three areas has large construction centers,  
15 which are located in Friendswood, Texas City, and West Columbia. The Bay and Mainland  
16 areas are south of the Houston metro area and are largely urban, with high growth as  
17 bedroom communities for the Houston metro area. Brazos is a largely rural and heavily  
18 wooded area. The cities of Texas City and Sweeny also include large refining and  
19 petrochemical transmission service loads, with large co-generation facilities located at  
20 some of the refining and petrochemical sites. There are also large battery operations in  
21 the area. The Gulf Coast Business Unit also includes the Company Meter Shop, which  
22 provides services to all 4 business units.

23 **IV. OPERATIONS AND MAINTENANCE EXPENSES**

24 **Q. PLEASE SUMMARIZE THE OPERATIONS AND MAINTENANCE EXPENSES FOR**  
25 **THE OPERATIONS ORGANIZATION.**

26 A. Exhibit KCN-2 summarizes the operations and maintenance expenses for the Operations  
27 organization for the years 2018 through 2025 for each area. As illustrated by Exhibit KCN-  
28 2, the average annual rate of increase for O&M expenses in the Operations organization  
29 over this period was 4.5%.

30 **Q. WHAT IS THE KEY DRIVER FOR O&M EXPENSES IN THE OPERATIONS**  
31 **ORGANIZATION?**

32 A. With 235 employees in this organization, the key driver for Operations O&M expenses is  
33 the cost of labor. Straight time and overtime labor costs charged to O&M expenses make  
34 up the majority of these costs.

1 **Q. HOW DOES THE OPERATIONS ORGANIZATION MONITOR AND CONTROL O&M**  
2 **EXPENSES?**

3 A. Operating budgets are prepared each August for the following year. Budget variance  
4 reports are reviewed by senior Operations staff each month to ensure budget compliance.  
5 At the end of each quarter, a comprehensive review is conducted. Each Director reviews  
6 budget variances and reforecasts the rest of the year based on experience to date and  
7 anticipated needs. These reforecasts are consolidated and reviewed at the TNMP  
8 Company level so senior staff can reallocate budget variances as necessary and agree  
9 on a company-wide reforecast for the rest of the year. This process provides a mechanism  
10 for reallocation. Said differently, areas with favorable budget variances can fund areas  
11 with additional needs or negative budget variances without impacting the overall company  
12 budget.

13 **Q. WHAT ARE SOME EXAMPLES OF EVENTS THAT COULD GIVE RISE TO BUDGET**  
14 **VARIANCES?**

15 A. While the budget is TNMP's base plan for running the business, like any budget, it  
16 incorporates a number of assumptions that may or may not align with actual events. There  
17 are a number of things that can cause budget variances in the Operations organization.  
18 Since labor is the largest cost, most variances are labor driven. Turnover of staff,  
19 especially in the field and craft area, creates vacancies for a period until additional staff  
20 are recruited. This can give rise to favorable variances. On the other hand, storm activity  
21 impacting the TNMP system can increase overtime labor incurred during restoration  
22 activities, which can result in negative variances. Severe storms that result in costs being  
23 booked to the self-insurance reserve can create favorable variances by directing labor  
24 costs that would have been booked to O&M accounts to the balance sheet. Operations  
25 management is adept at managing these issues to minimize the impact on TNMP's budget  
26 and control the department's costs.

27 **Q. HAS TNMP MADE ANY PRO-FORMA ADJUSTMENT TO THE OPERATIONS O&M**  
28 **EXPENSES?**

29 A. Yes. TNMP retained PA Consulting to perform an operational assessment of TNMP in  
30 2024. This study analyzed TNMP's operational and reliability procedures and experience  
31 and, from that analysis, presented a reliability and operations improvement roadmap.  
32 One operational recommendation included in the roadmap was that TNMP hire 25  
33 additional energy, relay and substation technicians to accommodate the increase in  
34 number of facilities, load and customers. Of these 25 additional technicians, 18 are

1 allocated or have been hired into the Operations organization to serve as Energy  
2 Technicians (“ETs”). TNMP witness Kyle Sanders has included a pro forma adjustment  
3 to the Operations test year costs to account for the annualized salaries and other costs  
4 for these 18 ETs.

5 **Q. WHY DID TNMP HIRE ADDITIONAL ENERGY TECHNICIANS?**

6 A. As TNMP experienced rapid growth in its different service areas, it used contractors to  
7 supplement its workforce as necessary to address the increased workload. Contractors  
8 can be rapidly mobilized to address the need for additional labor requirements. The high  
9 demand for experienced line personnel in the industry meant that it was difficult to hire  
10 additional ETs in a timely manner to address pressing needs. The PA Consulting analysis  
11 found that as workload has increased, TNMP was using contractor labor for core utility  
12 activities that are normally performed by ETs.

13 As a result, TNMP has added positions for 2 ETs in each of Lewisville, Central and West  
14 Texas, 4 additional ETs in North Texas, and 8 additional ETs in the Gulf Coast Business  
15 Units. As of the date of this filing, 6 of these ETs positions have been filled with new  
16 hires. Recruiting for the remaining positions is in progress.

17 **Q. HAVE ANY OTHER PRO FORMA ADJUSTMENTS BEEN MADE THAT IMPACT THE  
18 COSTS OF THE OPERATIONS ORGANIZATION?**

19 A. Yes. As discussed in the testimony of TNMP witness Neal Walker, TNMP is proposing  
20 targeted salary adjustments based on the compensation study performed by PwC. Certain  
21 of the impacted employees are within the Operations organization. The related pro forma  
22 adjustment is presented by TNMP witness Kyle Sanders.

23 **Q. DO YOU BELIEVE THAT TNMP OPERATIONS ORGANIZATION COSTS ARE  
24 REASONABLE?**

25 A. Yes, I do. TNMP prepares reasonable budgets for each of the Business Units and has  
26 procedures in place to review budget compliance monthly, control our costs, and maximize  
27 the use of available O&M dollars within TNMP.

28 **V. VEGETATION MANAGEMENT**

29 **Q. PLEASE BRIEFLY DESCRIBE TNMP’S VEGETATION MANAGEMENT PROGRAM.**

30 A. TNMP has three certified foresters that oversee its VM Program in each of the Gulf, North,  
31 Central and West areas of its service territory. The foresters direct the work of contract  
32 VM crews in each area in pruning, removal and mitigation of vegetation that has been  
33 identified as a current or future threat to the safe and reliable delivery of electricity. Each  
34 of the four areas in TNMP’s service territory has different geographic, demographic, and

1 vegetation characteristics. Accordingly, TNMP's VM Program is tailored to the  
2 characteristics of each area to maximize safety and service reliability.

3 **Q. PLEASE PROVIDE AN OVERVIEW OF HOW TNMP HAS HISTORICALLY MANAGED**  
4 **ITS VEGETATION MANAGEMENT PROGRAM.**

5 A. TNMP's vegetation management efforts have historically been reactive. Specifically,  
6 TNMP directed available VM resources to address the worst performing circuits in a  
7 reactive rather than proactive manner. TNMP's foresters would analyze tree-related  
8 interruption data on worst performing circuits and then would develop annual work plans  
9 to address the issues identified. In some cases, a particular feeder would be on the list of  
10 worst performing circuits because of a resiliency event such as a thunderstorm, hurricane,  
11 tornado or other severe wind event. In other cases, feeders would be on the list due to  
12 vegetation-related outages that required targeted maintenance. Work performed on these  
13 feeders would range from end-to-end vegetation clearing to work focused on certain  
14 sections of the feeders to prevent the circuits from remaining on the worst performing  
15 circuits list the following year.

16 In addition to employing a targeted vegetation management approach focused on worst  
17 performing circuits, a major goal of TNMP's vegetation management program was, and  
18 remains, to provide safe and reliable transmission and distribution of electricity by  
19 controlling growth of non-compatible species and encouraging growth of compatible  
20 species under, on, or adjacent to its facilities, rights-of-way, or easements. Non-  
21 compatible species are defined as those tree species that, at a mature height, will grow  
22 into electric facilities. Encouragement of the growth of compatible species to the exclusion  
23 of non-compatible species is accomplished through adherence to Integrated Vegetation  
24 Management principles, which include mechanical, chemical, and cultural methods of  
25 control. TNMP's vegetation management program was, and remains, designed to  
26 minimize tree-related interruptions, engender positive customer relations, adhere to all  
27 regulatory and legal requirements, promote continuous environmental improvement, and  
28 support public and worker safety through maintenance of adequate clearances between  
29 conductors and vegetation.

30 **Q. PLEASE DESCRIBE HOW EACH GEOGRAPHIC BUSINESS UNIT DIFFERS WITH**  
31 **RESPECT TO VEGETATION MANAGEMENT CONCERNS.**

32 A. In general, the vegetation management program, both historically and as will be  
33 approached pursuant to the recently approved SRP vegetation management measure, is  
34 applied consistently across all four areas in terms of processes and procedures. However,

1 the challenges and priorities vary for each of the units due to geographic variations in  
2 TNMP's non-contiguous service area.

3 The Gulf Coast region has the longest growing season and is most susceptible to  
4 hurricane and tropical storm damage due to its geographic location. Additionally, the Gulf  
5 Coast experiences frequent strong thunderstorm activity and straight-line wind events  
6 throughout the calendar year. As a result, the majority of tree-related interruptions to  
7 TNMP's system occur in the Gulf Coast (56% of all tree-related interruptions occurred in  
8 the Gulf Coast averaged over the past three years), and the Gulf Coast requires the largest  
9 share (approximately 50%) of the vegetation management resources. A combination of  
10 clearance crews, large brush mowers, and herbicide application crews are utilized to  
11 control undesirable vegetation. While much of the crew resources have historically worked  
12 on preventative maintenance affecting the worst performing circuits, there has been a fair  
13 amount of reactive work that is performed in the Gulf Coast due to the high number of  
14 customer requests received on a regular basis. During hurricane season, significant  
15 attention is focused on the Gulf Coast to ensure there are adequate resources on hand  
16 during restoration events.

17 North and Central Texas experience severe weather as well in the form of extreme  
18 thunderstorms, wind events, tornados, and ice storms, and require consistent storm  
19 hardening efforts to minimize the effects of those types of storms. Due to the more rural  
20 nature of these two areas, there are more efforts to control brush through both herbicide  
21 application and mowing. Controlling brush prevents small, young trees from reaching  
22 mature heights capable of causing interruptions and is one of the most cost-effective ways  
23 to control vegetation on TNMP's system. Because only 10% of TNMP's customers are in  
24 Central Texas, and because there are relatively fewer tree-related interruptions in this area  
25 (only 16% of tree related interruptions occurred here over three years) it is allocated fewer  
26 resources (approximately 22%) compared to the rest of the system. Work in Central Texas  
27 is focused on addressing the worst-performing circuits to improve their reliability. North  
28 Texas requires more resources than Central Texas due to the nature of the environment  
29 and customer count (approximately 29% of TNMP system). 28% of the Vegetation  
30 Management resources are utilized in North Texas to address the worst performing  
31 circuits and prevent future outages through application of the methods described in  
32 previous paragraphs. North Texas is an expansive territory. While most of the customers  
33 are in the Lewisville area, the largest number of tree-related outages occur in the outlying  
34 rural communities.

1 The final geographical business unit, West Texas, requires intermittent field inspection  
2 and tree work as needed. This area is inspected for any immediate concerns on a regular  
3 basis by resident line crew personnel. Annually or biennially, it is field inspected by a  
4 Forester and crew resources are assigned as needed. The majority of the tree work in this  
5 area (91%) is located within a few miles of the communities served by TNMP. Crews are  
6 scheduled and dispatched as needed to remediate the tree concerns in those  
7 communities.

8 **Q. DOES TNMP'S SYSTEM RESILIENCY PLAN IMPACT TNMP'S VEGETATION**  
9 **MANAGEMENT PROGRAM?**

10 A. Yes. TNMP's System Resiliency Plan ("SRP") was approved by the Commission by a final  
11 order issued on March 26, 2025 in Docket No. 56954 (the "SRP Docket").<sup>3</sup> The SRP  
12 includes the Vegetation Management Measure which significantly impacts how TNMP will  
13 perform its vegetation management on a going forward basis.

14 **Q. IS TNMP CONTINUING TO UTILIZE A "REACTIVE" APPROACH TO VEGETATION**  
15 **MANAGEMENT?**

16 A. No. TNMP is in the process of transitioning its vegetation management program from a  
17 reactive approach to a proactive approach by implementing a cyclical vegetation  
18 management program that implicates vegetation management work on both its  
19 transmission and distribution systems. Through its approval of the Vegetation  
20 Management Measure set forth in the SRP, the Commission has already ordered TNMP  
21 to enact a cyclical approach with respect to its distribution vegetation management.

22 **Q. PLEASE BRIEFLY SUMMARIZE THE GOAL OF THE VEGETATION MANAGEMENT**  
23 **MEASURE THAT WAS APPROVED IN TNMP'S SRP.**

24 A. At a high level, the Vegetation Management Measure that was approved in the SRP will  
25 increase the frequency of TNMP's vegetation management activities to shift the  
26 programming to a proactive, cyclical approach rather than the historical reactive approach  
27 with respect to TNMP's distribution system.

28 **Q. WHAT PROGRAMS WERE APPROVED IN THE SRP VEGETATION MANAGEMENT**  
29 **MEASURE?**

30 A. The Vegetation Management Measure includes four approved programs: (1) Proactive  
31 Vegetation Management; (2) Enhanced Tree Risk Assessment and Mitigation; (3) Remote  
32 Sensing; and (4) Risk-Based System Utilizing Vegetation Inspection and Data Analysis. I

---

<sup>3</sup> TNMP's Application for Approval of a System Resiliency Plan, Docket No. 56954 (Aug. 28, 2024).

1 will briefly describe the latter three programs, but the most relevant for purposes of this  
2 testimony is the Proactive Vegetation Management Program.

3 **Q. PLEASE BRIEFLY DESCRIBE THE ENHANCED TREE RISK ASSESSMENT AND**  
4 **MITIGATION PROGRAM, THE REMOTE SENSING PROGRAM, AND THE RISK-**  
5 **BASED SYSTEM UTILIZING VEGETATION INSPECTION AND DATA ANALYSIS**  
6 **PROGRAM.**

7 A. The Enhanced Tree Risk Assessment and Mitigation Program upgrades the manner in  
8 which TNMP performs inspections to implement its vegetation management strategy.  
9 Specifically, it provides for field inspections performed by Tree Risk Assessment Qualified  
10 utility arborists who utilize specialized tools and expert analysis to proactively identify  
11 hazard trees that pose a risk to TNMP's infrastructure.

12 The Remote Sensing Program provides for the use of LiDAR technology, a remote  
13 sensing method that utilizes airborne assets, to determine vegetation encroachments for  
14 evaluation by the vegetation management team.

15 The Risk-Based System Utilizing Vegetation Inspection and Data Analysis Program  
16 provides for the development of a new work management database that utilizes various  
17 data to create real-time dashboards for vegetation management personnel and technical  
18 resources to conduct event analyses and outage investigations.

19 **Q. DID THE COMMISSION APPROVE THE FULL FUNDING SOUGHT FOR EACH OF**  
20 **THESE THREE PROGRAMS?**

21 A. Yes.

22 **Q. PLEASE DESCRIBE THE PROACTIVE VEGETATION MANAGEMENT PROGRAM.**

23 A. The Proactive Vegetation Management Program shifts TNMP from a reactive approach to  
24 vegetation management to a data-driven, proactive and cyclical approach to vegetation  
25 management. This proactive approach entails a 5-year inspection/clearing cycle for entire  
26 distribution circuits in the Gulf Coast region and a 6-year inspection/clearing cycle for  
27 entire distribution circuits in all other regions (West, Central and North Texas). A mid-cycle  
28 inspection will also occur in all regions on multi-phase circuits on a 2-1/2 to 3-year cycle.  
29 Also key in this program is the implementation of a well-disciplined and structured outage  
30 investigation program entailing detailed investigations and analysis at the feeder level of  
31 vegetation-related events (triggered by substation breaker operation data), which will help  
32 TNMP make data-driven decisions and optimize the program to manage the threat of  
33 vegetation events and wildfire ignition by shifting away from reliance on reactive

1 maintenance activities. Again, the SRP only sought cost recovery for distribution-related  
2 expenses.

3 **Q. DID THE COMMISSION APPROVE THE FULL FUNDING SOUGHT FOR THE**  
4 **PROACTIVE VEGETATION MANAGEMENT PROGRAM?**

5 A. No. TNMP's SRP originally sought recovery of a total of \$109.4 million over three years to  
6 enact the Proactive Vegetation Management Program with respect to vegetation  
7 management impacting the distribution system. This proposed cost relied, in part, on  
8 cyclical vegetation management work being performed in the Gulf Coast region on a 4-  
9 year cycle and a 5-year cycle in the remaining regions of TNMP's service area.

10 As part of settlement negotiations with the interested parties in the SRP Docket, TNMP  
11 and certain of the parties agreed, while others did not oppose, that the Proactive  
12 Vegetation Management Program would be adjusted such that the Gulf Coast region was  
13 placed on a 5-year cycle, with all remaining regions to be managed on a 6-year cycle. This  
14 adjusted the cost of the Proactive Vegetation Management Program to approximately \$88  
15 million over three years for distribution costs. The Commission reduced funding for this  
16 program from \$88,288,045 to \$46,215,504 in its Final Order in the SRP Docket.<sup>4</sup>

17 **Q. DID THE COMMISSION MAKE ANY CHANGE TO THE SUBSTANCE OF THE SRP'S**  
18 **PROACTIVE VEGETATION MANAGEMENT PROGRAM TO ALIGN IT WITH THE**  
19 **REDUCED FUNDING AWARDED?**

20 A. No. The Commission ordered TNMP to implement the Proactive Vegetation Management  
21 Program as it was proposed in its SRP and as otherwise modified by the settlement  
22 agreement.

23 **Q. BECAUSE ONLY A PORTION OF THE FUNDING NECESSARY FOR TNMP TO ENACT**  
24 **THE PROACTIVE VEGETATION MANAGEMENT PROGRAM WAS AWARDED IN THE**  
25 **SRP, ARE YOU SEEKING TO RECOVER THE REMAINING FUNDS THROUGH BASE**  
26 **RATES?**

27 A. Yes. In this proceeding, TNMP seeks to recover the difference between the amount  
28 required to implement the Proactive Vegetation Management Program and the funding  
29 awarded in the SRP proceeding.

30 **Q. WHY IS TNMP PROPOSING TO RECOVER THE REMAINING FUNDING NECESSARY**  
31 **TO IMPLEMENT THE PROACTIVE VEGETATION MANAGEMENT PROGRAM**  
32 **FUNDING IN BASE RATES?**

---

<sup>4</sup> Application of Texas-New Mexico Power Company for Approval of a System Resiliency Plan, Docket No. 56954, Final Order (Mar. 26, 2025).

1 A. The implementation of the Proactive Vegetation Management Program is a significant  
2 change to TNMP's past vegetation management practices, and the cost of doing so is  
3 significant for a company of TNMP's size. While the reduced funding allowed in the SRP  
4 Docket is being used to cover the up-front costs of performing cyclical vegetation  
5 management work on TNMP's distribution system in accordance with the approved  
6 Proactive Vegetation Management Program, the ongoing costs of maintaining the cyclical  
7 program must be covered in base rates.

8 **Q. YOU TESTIFIED THAT A CYCLICAL VEGETATION MANAGEMENT PROGRAM ALSO**  
9 **IMPLICATES VEGETATION MANAGEMENT WORK WITH RESPECT TO TNMP'S**  
10 **TRANSMISSION SYSTEM. DOES TNMP SEEK RECOVERY OF FUNDS WITH**  
11 **RESPECT TO THE TRANSMISSION ASPECT OF ITS CYCLICAL VEGETATION**  
12 **MANAGEMENT PROGRAM IN THIS PROCEEDING?**

13 A. Yes.

14 **Q. HOW DID TNMP DETERMINE THE COST OF A CYCLICAL VEGETATION**  
15 **MANAGEMENT PROGRAM THAT ADDRESSED BOTH DISTRIBUTION AND**  
16 **TRANSMISSION WORK?**

17 A. TNMP retained EDM International, Inc. ("EDM") to determine the cost of its Proactive  
18 Vegetation Management program as initially proposed in its SRP application limited to  
19 distribution system costs. EDM originally determined that the cost of the Proactive  
20 Vegetation Management Program was approximately \$109M. However, as noted above,  
21 the cost of the vegetation management program was adjusted downward pursuant to a  
22 settlement agreement between the parties to the SRP to approximately \$88M. Thereafter,  
23 the Commission further reduced the allowed funding for the Proactive Vegetation  
24 Management Program to approximately \$46.2M.

25 After the Final Order was entered in the SRP Docket, TNMP further retained EDM to  
26 develop a detailed year-by-year distribution-related costs of the Proactive Vegetation  
27 Management Program as modified by the Settlement in the SRP Docket.

28 In addition, because the SRP sought recovery for only distribution costs with respect to  
29 the Proactive Vegetation Management Program, EDM's latest analysis also quantified the  
30 costs of a fulsome cyclical program that included transmission vegetation management  
31 work.

32 EDM's analysis is based upon a vegetation management workload assessment that it  
33 performed in 2024. This assessment evaluated the length of each circuit to determine the  
34 miles to be trimmed for each cycle in each area. In addition, the assessment identified

1 the vegetation density in each area to quantify the vegetation management crew time  
2 required to complete the cycle.

3 EDM's analysis utilized final negotiated pricing with the specific tree contractors  
4 designated to be used in each area, including trimming, disposal, planning and herbicide  
5 application, to compute the annual costs for the planned cycle in each area. TNMP has  
6 undertaken the scope of work identified by EDM.

7 **Q. HOW MUCH WILL THE PROACTIVE VEGETATION MANAGEMENT PROGRAM COST**  
8 **OVER A THREE-YEAR PERIOD ACCORDING TO EDM?**

9 In line with the costs sought for recovery, EDM determined that the Proactive Vegetation  
10 Management Program (said differently, cyclical distribution VM) would cost \$87,377,956  
11 over three years. I note that there is a slight downward variance between the amount  
12 originally sought for recovery in the SRP Docket and EDM's updated analysis. The  
13 updated analysis uses finalized contractor pricing with the vegetation management  
14 contractors designated to work in each area. These prices are the result of a competitive  
15 bidding process that was completed after the original SRP analysis was performed.

16 **Q. IS TNMP SEEKING TO RECOVER THE FULL \$87,377,956 IN THIS PROCEEDING?**

17 A. No. As discussed earlier, the Commission has already approved a partial funding  
18 allowance for the Proactive Vegetation Management Program of \$46,215,504. TNMP is  
19 seeking to recover the difference between the total cost and what was previously  
20 approved, or \$41,162,452.

21 **Q. HOW MUCH WILL CYCLICAL VEGETATION MANAGEMENT WITH RESPECT TO THE**  
22 **TRANSMISSION SYSTEM COST OVER A THREE-YEAR PERIOD?**

23 A. EDM determined that cyclical vegetation management work on the transmission system  
24 would cost \$8,412,498 over three years.

25 **Q. DID EDM INCLUDE ANY OTHER COSTS IN ITS ANALYSIS?**

26 A. Yes. EDM included an allowance of 15 percent for unplanned maintenance, which  
27 includes emergency trimming and removal due to storm damage, as well as requests by  
28 TNMP line personnel or customers.

29 **Q. PLEASE SUMMARIZE EDM'S TOTAL COST ANALYSIS FOR THE FULL CYCLICAL**  
30 **VEGETATION MANAGEMENT PROGRAM, INCLUSIVE OF DISTRIBUTION,**  
31 **TRANSMISSION, AND UNPLANNED MAINTENANCE COSTS.**

32 A. Based upon this detailed updated EDM analysis of the 5 and 6-year cyclical program, the  
33 total annual costs of the transmission and distribution cyclical vegetation management  
34 program for the first 3 years are as follows:

Year	Maintenance, Planning, Herbicide	Unplanned Maintenance	Total T&D Vegetation Management
1	\$ 27,056,377	\$ 3,934,743	\$ 30,991,120
2	\$ 27,868,069	\$ 4,052,785	\$ 31,920,854
3	\$ 28,704,111	\$ 4,174,369	<u>\$ 32,878,480</u>
		Total	\$ 95,790,454

1  
2 Exhibit KCN-3 shows the breakdown of the results of the EDM analysis by geographic  
3 area and by distribution and transmission.

4 **Q. HOW IS TNMP INCLUDING COSTS RELATED TO ITS TRANSITION TO CYCLICAL**  
5 **VEGETATION MANAGEMENT IN ITS BASE RATES?**

6 A. TNMP is seeking a pro forma adjustment to its test year costs in order to incorporate the  
7 expenses of the Proactive Vegetation Management Program that it did not recover in the  
8 SRP proceeding.

9 **Q. IS TNMP SEEKING ANY OTHER PRO FORMA ADJUSTMENT TO ITS TEST YEAR**  
10 **COSTS ATTRIBUTABLE TO VEGETATION MANAGEMENT?**

11 A. Yes. TNMP is seeking a pro forma adjustment to account for employee and fleet expenses  
12 from newly hired vegetation management personnel.

13 **Q. WHY DID TNMP HIRE NEW VEGETATION MANAGEMENT PERSONNEL?**

14 A. Senior management of the vegetation management program has historically been  
15 provided by personnel at PNM, TNMP’s affiliate utility in New Mexico. Effective earlier this  
16 summer, management of the vegetation management program has been moved to TNMP,  
17 and PNM no longer has a role. TNMP has hired an Associate Director of Wildfire Risk  
18 and Vegetation Management that will manage TNMP’s vegetation management program  
19 with personnel entirely within the TNMP company structure. In addition to the Associate  
20 Director, TNMP has hired a vegetation management Program Manager and is in the  
21 process of hiring 2 vegetation management and Wildfire Data Analysts, and 7 vegetation  
22 management Specialists that will assist the Foresters in directing the activities of the  
23 contract vegetation management crews. Along with the 3 Foresters, these personnel will  
24 oversee the implementation of the SRP vegetation management activities and manage  
25 TNMP’s proactive vegetation management program moving forward.

26 **Q. WHAT IS THE TOTAL PRO FORMA ADJUSTMENT SOUGHT FOR VEGETATION**  
27 **MANAGEMENT FOR THESE NEW EMPLOYEES?**

1 A. TNMP seeks to recover employee and fleet expenses of \$331,574 per year in its  
2 vegetation management pro forma. This does not include payroll-related costs. Employee  
3 expenses include travel, training and incidental costs for new vegetation management  
4 employees, and fleet expenses include costs for vehicle leases, maintenance, and fuel.  
5 The pro forma cost was determined utilizing historical fleet reports for lease, maintenance,  
6 and fuel costs, and utilizing historical employee expense reports for similarly situated  
7 employees. TNMP witness Kyle Sanders has included the payroll-related costs of these  
8 additional personnel in TNMP's revenue requirement.

9 **Q. PLEASE SUMMARIZE THE TOTAL AMOUNT OF VEGETATION MANAGEMENT**  
10 **EXPENSE SOUGHT IN THIS PROCEEDING.**

11 A. WP/II-D 1 4 details the computation of the pro forma adjustment to the test year to fully  
12 implement TNMP's cyclical vegetation management program. The total amount of  
13 vegetation management expense to be included in base rates is \$16,856,558. This  
14 includes employee and fleet expenses of \$331,574 for the additional VM personnel  
15 discussed earlier in my testimony. The test year amount of vegetation management  
16 expenses was \$8,063,592. TNMP has reduced the test year amount of vegetation  
17 management expenses by \$377,343 to remove SRP related vegetation management  
18 expense and properly reflect the expenses to be recovered in base rates. Accordingly, the  
19 adjusted test year amount of vegetation management expenses is \$7,686,249.  
20 Subtracting the adjusted test year amount from the total amount of vegetation  
21 management expense to be included in base rates results in a pro forma adjustment of  
22 \$9,170,309. TNMP witness Kyle Sanders includes this pro forma adjustment in the  
23 development of TNMP revenue requirements.

24 **Q. ARE THE COSTS ASSOCIATED WITH THE VEGETATION MANAGEMENT**  
25 **PROGRAM THAT ARE INCLUDED IN THE PRO FORMA ADJUSTMENT KNOWN AND**  
26 **MEASURABLE?**

27 A. Yes. These costs are based upon a recent workload assessment and the actual final  
28 negotiated pricing with the contractors that will be performing the work in each area.

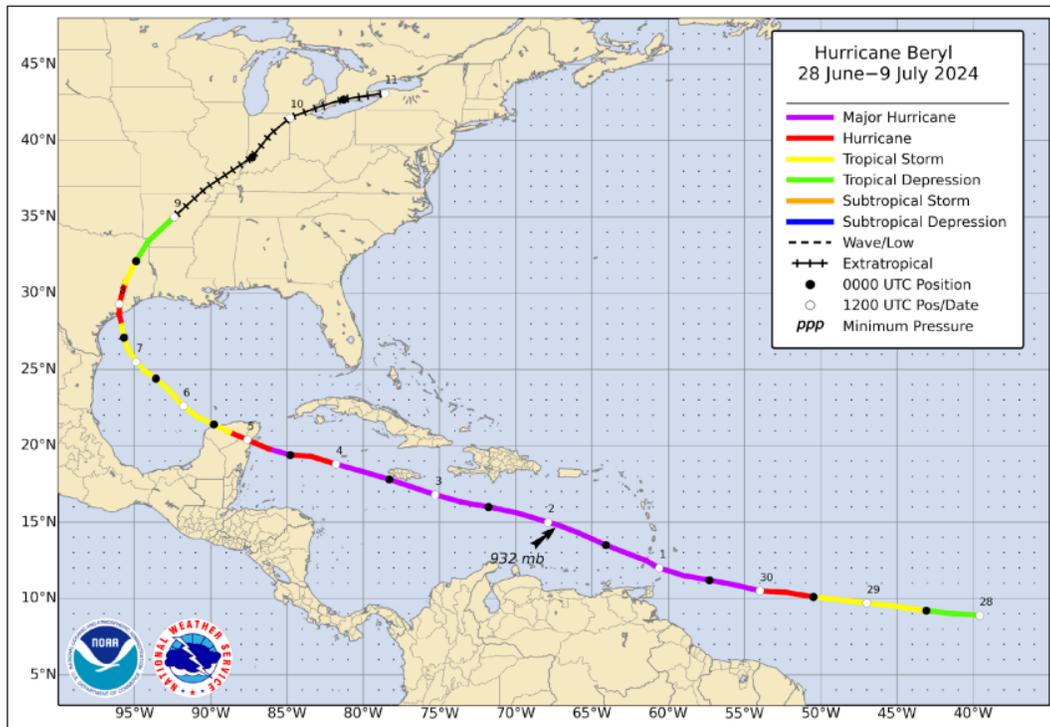
29 **VI. HURRICANE BERYL**

30 ***Overview***

31 **Q. PLEASE PROVIDE AN OVERVIEW OF THE EVENTS OF HURRICANE BERYL.**

32 A. Beryl began as a tropical depression on June 28, 2024, 1,200 nautical miles east of  
33 Barbados. It moved west-northwest and became a hurricane by June 30. It intensified to  
34 Cat 4, impacting the Grenadian islands, then reached Cat 5 over the Caribbean Sea. It

1 passed south of Jamaica and made landfall on the Yucatan peninsula as a Cat 1 hurricane  
 2 on July 5. It then turned north-northwest on July 7 and regained hurricane strength early  
 3 July 8 as it approached the Texas Coast. It made landfall on the morning of July 8 near  
 4 Matagorda, Texas with a wind speed of 80 kt (92 MPH). It moved north-northeast inland,  
 5 passing over the western side of the Houston metropolitan area midday before moving  
 6 farther inland into eastern and northeastern Texas. Beryl weakened to a tropical storm  
 7 while passing near Houston.



8  
 9 **Q. PLEASE DESCRIBE THE AREA OF TNMP’S SERVICE TERRITORY THAT WAS**  
 10 **IMPACTED BY HURRICANE BERYL.**

11 A. TNMP’s Brazoria County area, which includes the cities of Angleton, West Columbia,  
 12 Brazoria, Sweeny, and Alvin, was most severely impacted by Hurricane Beryl, suffering a  
 13 direct hit. However, the Galveston County portion of TNMP’s Gulf Coast region was also  
 14 heavily impacted, including the cities of Friendswood, League City, Dickinson, Texas City  
 15 and La Marque. After the storm arrived the morning of July 8, 60 distribution circuits and  
 16 8 transmission circuits were locked out. Initially, a total of 122,708 TNMP customers were  
 17 without power.

18 **Q. DOES TNMP HAVE AN EMERGENCY OPERATIONS PLAN (EOP) FILED AT THE**  
 19 **PUBLIC UTILITY COMMISSION?**

1 A. Yes. TNMP filed the latest revision of its EOP on March 14, 2025 in Project 53385. TNMP  
2 activated its EOP in response to Hurricane Beryl.

3 **Q. PLEASE DETAIL THE SERVICE TERRITORIES COVERED UNDER TNMP'S EOP.**

4 A. TNMP has filed EOPs for all four of its business units. While the Gulf Coast business unit  
5 is vulnerable to hurricanes and tropical storms, the other areas are also subject to periodic  
6 extreme weather events such as ice storms, violent thunderstorms, and tornados. All  
7 areas could potentially be subject to man-made events.

8 **Q. PLEASE DESCRIBE THE EOP FOR THE GULF COAST REGION.**

9 A. TNMP's Gulf Coast EOP addresses five key ordered priorities in preparation for a  
10 response to an emergency: 1) protect human life, both employees and customers; 2)  
11 prevent or minimize personal injury, for both employees and customers; 3) reduce the  
12 exposure of property to damage; 4) minimize damage to property that cannot be relocated;  
13 and 5) restore normal operations as quickly as possible.

14 Having a workable plan that can be implemented in a timely and effective manner is the  
15 key ingredient in accomplishing these prioritized goals. TNMP's EOP includes detailed  
16 plans for critical areas (TNMP employees, communication, damage assessment,  
17 restoration efforts) in the event of a Hurricane impacting TNMP's service area.

18 In responding to the impacts of Hurricane Beryl, the mission of the Gulf Coast Region  
19 employees was to restore service to our customers in a safe, orderly, and effective manner  
20 and to do so as quickly as possible.

21 The specific steps that TNMP took to prepare for and respond to Hurricane Beryl included  
22 the following:

- 23 • Pre-storm preparation.
- 24 • Post-storm damage assessments.
- 25 • Estimating manpower and material needs for restoration.
- 26 • Timely requests for outside assistance where appropriate.
- 27 • Targeting resources for maximum effectiveness.
- 28 • Thorough and regular communication of progress to employees  
29 and, through the media, to customers.
- 30 • Dedicated logistical support to employees and contractors involved  
31 in the restoration effort.

32 I will discuss each of these specific steps in more detail later in my testimony.

33 The EOP for the Gulf Coast was prepared to identify steps to be taken in response to the  
34 many problems TNMP can expect to encounter prior to, during, and after a major storm.

1 Some of the problems TNMP may reasonably expect to encounter after a major Category  
2 2-5 hurricane include:

- 3 • Widespread damage to facilities
- 4 • Extensive and long-term outages for numerous customers
- 5 • Lack of food and lodging
- 6 • Flooding in coastal and low-lying areas
- 7 • Evacuation of personnel

8 TNMP's EOP not only addresses TNMP procedures but also provides guidance to  
9 employees and their families. TNMP's EOP reflects the lessons learned from assisting  
10 other utilities in times of natural disaster and man-made events such as refinery  
11 explosions. TNMP's participation in the Texas Mutual Assistance Group, Midwest Mutual  
12 Assistance Association and the Southeastern Electric Exchange ("SEE"), together with  
13 on-the-ground experience during Hurricanes Harvey, Ike, Ivan, Jeanne, Dennis, Katrina,  
14 Rita, Wilma, as well as on-system ice storms and tornados, has provided TNMP with real  
15 world experience on which to base its EOP.

16 **Q. PLEASE DESCRIBE TNMP'S PRE-STORM PREPARATION PROCESS FOR**  
17 **HURRICANE BERYL.**

18 A. The EOP has a timeline entitled "Gulf Coast Region Storm Alert Stages" that outlines  
19 actions to be taken before and after storm landfall. Although the timeline cannot  
20 encompass every possible scenario, it provides an outline of actions to be taken prior to  
21 hurricane landfall.

22 TNMP began monitoring Hurricane Beryl when it became a hurricane on June 30 and  
23 began to impact the Grenadian islands. Initial track projections through July 4 forecasted  
24 a south Texas landfall west of Corpus Christie. As Hurricane Beryl crossed the Yucatan  
25 peninsula on July 5 and moved into Gulf of Mexico the forecast track was adjusted east.  
26 By the evening of July 5, the forecast track was adjusted further east, bringing TNMP's  
27 service territory in Brazoria County, West Columbia and Angleton into the area of direct  
28 impact. While TNMP's Galveston County cities of Texas City and Friendswood were still  
29 outside of the projected impact area, there were local reports of projected wind speeds of  
30 over 100 MPH for Texas City.

31 TNMP senior management convened an EOP Executive Committee call at 10 PM on the  
32 evening of Friday, July 5. The forecast track had shifted further east, impacting Alvin, and  
33 the intensity at landfall was forecast to be Category 1. The Executive Committee met  
34 again on Saturday, July 6 at 1:30 PM. At this time there was conflicting information on

1 projected landfall location and wind speed. Wind speed was not forecast above 58 MPH.  
2 A call was scheduled for the next day, and preparations were made to relocate the System  
3 Operations Center ("SOC") from its Alvin location to the backup SOC in Lewisville. In  
4 addition, available internal line and contractor resources in the Gulf Coast, Central and  
5 North areas were identified.

6 On the morning of Sunday, July 7 TNMP's EOP was activated. System Operators were  
7 dispatched to the backup SOC, and North Texas and Central Texas Directors were  
8 contacted to send the available internal TNMP and contractor line resources to the Gulf  
9 Coast for arrival Sunday night. The storm was projected to make landfall at 1:00 AM to  
10 10:00 AM Monday morning. SEE was notified that TNMP would be requesting mutual  
11 assistance resources at a call scheduled for Monday morning. At 12:30 PM a call was  
12 held with local Gulf Coast management to formally activate the EOP and review the EOP  
13 steps for 24 hours prior to storm arrival. The following actions were taken:

- 14 • Internal line and contractor resources were confirmed for Sunday  
15 afternoon arrival
- 16 • Vegetation Management crews were confirmed for arrival on  
17 Monday
- 18 • Engineering confirmed that all engineering staff were available for  
19 timely damage assessment, and were notified to consider outside  
20 damage assessors to be available by Tuesday
- 21 • Vehicles were moved to higher ground and fueled
- 22 • Storm stock trailers were checked for materials
- 23 • 2-way radios were picked up
- 24 • Logistics for food and lodging enabled; hotels procured for internal  
25 staff

26 **Q. PLEASE DESCRIBE TNMP'S RESTORATION ACTIVITIES AFTER HURRICANE**  
27 **BERYL MADE LANDFALL?**

28 A. Hurricane Beryl made landfall early in the morning on Monday, July 8. TNMP had 60  
29 distribution circuits and 8 transmission circuits locked out. During the 9:00 AM SEE call  
30 that morning, TNMP made an initial mutual assistance request of 250 linemen, 150 VM  
31 personnel, and 25 damage assessors. Five of the eight transmission circuits were  
32 restored within a few hours after the storm passed, but Brazoria County was heavily  
33 damaged and had 3 transmission circuits remain locked out. Damage assessment and

1 restoration efforts began with TNMP internal and contractor crews immediately after the  
2 storm left the area late Monday morning.

3 At 11:30 AM the same day, the EOP Executive Committee had a call. During the call, it  
4 was confirmed that contractor and VM crews were arriving and working in the impacted  
5 areas in both Brazoria and Galveston Counties. It was clear that there was extensive  
6 damage from trees and downed poles. Damage assessment was in progress in all areas.

7 Other activities included:

- 8 • Confirmation of requested resources from SEE. Personnel rosters  
9 arrived;
- 10 • Staging sites were secured for both line personnel/trucks and  
11 materials;
- 12 • Base Logistics, TNMP's external logistics provider, was notified to  
13 deploy to staging sites for support of arriving personnel;
- 14 • The material supplier was notified to send materials and personnel  
15 to staging sites;
- 16 • Lodging was secured as personnel rosters were received;
- 17 • All TNMP Construction Center facilities were confirmed  
18 undamaged to be used for Operations and Dispatch teams;
- 19 • The Alvin SOC was confirmed to be unaffected and available to  
20 serve as the primary control center;
- 21 • The Backup SOC was confirmed operational and assumed  
22 dispatching for North/Central/West Texas business units; and
- 23 • Satellite phones and two-way radios were put into use once it was  
24 determined that communications in Brazoria County were severely  
25 compromised.

26 By the end of the day on Monday, July 8, mutual assistance crews had begun arriving in  
27 all impacted areas and were working to address the storm's impacts. It was clear from  
28 initial damage assessments that there was very heavy tree damage to the electric  
29 facilities, and access routes would need to be cleared of downed and broken trees in all  
30 impacted areas. VM crews were arriving and working, and more VM personnel were  
31 requested. All available crews were working 16-hour days to timely address the damage  
32 and fully restore service.

33 On Tuesday, July 9, additional mutual crews arrived to assist. TNMP continued to add VM  
34 and line resources as they became available through SEE or direct contact with individual

1 contractor resources. In addition, external damage assessment crews arrived and began  
2 work in Brazoria County. Additional field supervision arrived from TNMP's Central and  
3 North regions areas to supplement management in the Gulf Coast.

4 Restoration work continued through final restoration on July 17.

5 **Q. WHAT IS INTERNAL ASSISTANCE?**

6 A. Internal assistance refers to the reallocation of resources within TNMP's four business  
7 units to timely address emergency events.

8 **Q. PLEASE DESCRIBE TNMP'S PROCESS FOR REQUESTING INTERNAL  
9 ASSISTANCE.**

10 A. When a weather event or other risk to the system is identified, the EOP Executive  
11 Committee notifies the Business Unit Directors that additional internal assistance may be  
12 needed. The Directors work with their staff to identify what resources could be provided  
13 to the affected Business Unit while still maintaining service to their own customer base.  
14 In addition, electric contractors working on the TNMP system in each area are identified  
15 and made available for deployment to the storm area. The management team in the  
16 impacted area then uses this information in its risk assessment and restoration plan. The  
17 size and severity of the event, number of customers impacted, historical restoration results  
18 and employee continuous hours of service restrictions are all considered in this manpower  
19 needs assessment.

20 **Q. PLEASE DESCRIBE TNMP'S PROCESS FOR DETERMINING EXTERNAL  
21 MANPOWER AND MATERIAL ESTIMATES FOR RESTORATION AFTER  
22 HURRICANE BERYL.**

23 A. TNMP utilizes its pre-formulated base level damage estimates based on hurricane  
24 category, the expected storm surge, and how fast the hurricane will be moving once it  
25 makes landfall in order to determine manpower and materials estimates for restoration.  
26 Hurricane Beryl made landfall as a Category 1 hurricane and intensified just before landfall  
27 with winds of 80 kt (92MPH). Thus, Beryl was nearly a Category 2 hurricane at landfall.  
28 TNMP was able to rapidly determine through initial damage assessment that Beryl was  
29 primarily a wind and vegetation event. There was extensive damage to electric facilities  
30 and downed wire from trees outside of rights of way or easement corridors.

31 Based on its base level damage estimates and analysis of the initial damage assessment,  
32 TNMP's initial mutual assistance request from SEE early on the morning of landfall was  
33 for 250 distribution line Full-Time Equivalent employees ("FTEs"), 150 VM FTEs and 25  
34 damage assessors. These were in addition to TNMP's internal resources and external

1 contractor resources internally controlled that were already deployed and ready to work.  
2 TNMP quickly determined that additional resources would be needed for restoration.  
3 Accordingly, TNMP increased the number of external resources requested as staging sites  
4 and logistical support were established. TNMP acquired additional resources as  
5 unaffected companies released resources and made them available to impacted  
6 companies.

7 TNMP has pre-positioned storm stock materials available in its service areas, material  
8 warehouses in areas of the Company far from the coastal zone, as well as an integrated  
9 supplier with considerable experience and expertise in hurricane restoration efforts to  
10 ensure that the required materials are available in a timely manner. In the case of Beryl,  
11 two material staging areas were established in the Gulf Coast area and were staffed by  
12 TNMP's integrated material supplier. As damage assessments are completed, TNMP  
13 communicated its material needs to the integrated supplier, who ensured these materials  
14 were transported and made available at the material staging areas. These measures were  
15 adequate for restoration after Beryl, and there were no material shortages affecting  
16 restoration.

17 **Q. PLEASE DESCRIBE THE OUTSIDE LABOR ASSISTANCE PROVIDED TO TNMP TO**  
18 **ADDRESS HURRICANE BERYL.**

19 A. In total, TNMP deployed the following number of external mutual assistance resources:

- 20 • 863 Distribution line FTEs
- 21 • 761 VM FTEs
- 22 • 44 Damage Assessors

23 In addition, external resources were provided by TNMP's logistics provider at the West  
24 Columbia Construction Center and Tanger Outlet Mall staging areas, and TNMP's  
25 integrated material supplier provided personnel at two separate material staging areas.

26 **Q. PLEASE DESCRIBE THE LOGISTICAL PROCESS TO SUPPORT EMPLOYEES AND**  
27 **OUTSIDE ASSISTANCE INVOLVED IN THE RESTORATION EFFORT.**

28 A. When a weather event such as a hurricane is identified with the potential to make landfall  
29 affecting TNMP's Gulf Coast service territory, the Gulf Coast Director begins the  
30 preparation of logistical support. The size and severity of the event, number of customers  
31 impacted, historical restoration results, number of employees and outside mutual  
32 assistance personnel are all considered in the logistical needs assessment.

33 In the case of Hurricane Beryl, as soon as it was clear that the restoration would involve  
34 large numbers of mutual assistance personnel and an extended timeframe, TNMP called

1 upon Base Logistics to provide logistical support. TNMP has a contract with Base Logistics  
2 to provide large-scale logistical support on short notice for storm restorations. Base  
3 Logistics established a large staging area at Tanger Outlet Mall, including a large dining  
4 tent, full catering for breakfast and dinner, box lunches, wash stations, bathroom facilities,  
5 parking for the large trucks, and overnight refueling service. At the West Columbia  
6 Construction Center, Base Logistics provided full catering services and overnight refueling  
7 services. Base also provided box lunches that were delivered to the Texas City and  
8 Friendswood Construction Centers.

9 **Q. DID TNMP ESTABLISH STAGING AREAS TO FACILITATE THE HURRICANE BERYL**  
10 **RESTORATION ACTIVITIES?**

11 A. Yes. TNMP utilized all three of its Gulf Coast Construction Centers as staging areas for  
12 internal and external personnel and vehicles. The Texas City Construction Center was  
13 staffed with its normal employee complement of 73 FTEs, external contractor crews with  
14 258 FTEs and associated vehicles and equipment. The Friendswood Construction Center  
15 was staffed with its normal complement of 40 FTEs, external contractor crews with 191  
16 FTEs and associated vehicles and equipment. TNMP's West Columbia Construction  
17 Center was staffed with its normal complement of 28 FTEs, external contractor crews with  
18 396 FTEs and associated vehicles and equipment. As discussed above, Base Logistics  
19 provided staging area catering and fueling services at the West Columbia and Tanger  
20 Outlet mall staging areas.

21 In addition to the staging areas for personnel and vehicles, two other sites were  
22 established as material staging areas. The Alvin Community College was utilized as a  
23 material staging location for crews working in the Bay Area (League City, Alvin and  
24 Friendswood), and the Texas City Fire Department Training Site was utilized as a material  
25 staging location for crews working in the Mainland Area (Texas City, Dickinson and La  
26 Marque). TNMP's external integrated material supplier provided staffing at both of these  
27 locations.

28 **Q. HOW DID TNMP ENSURE THE SAFETY OF THE RESTORATION CREWS WHO**  
29 **WORKED IN A HAZARDOUS ENVIRONMENT FOR 10 DAYS?**

30 A. Safety is a top priority of TNMP and considerations surrounding it were an integral part of  
31 the restoration process. TNMP's three full-time safety personnel were mobilized to the  
32 Gulf Coast region for the duration of the restoration. Each outside crew was given a safety  
33 orientation before they could begin work on any part of the restoration. TNMP personnel  
34 held a safety meeting for all restoration crews every morning before the start of the

1 workday to discuss changed conditions, any newly identified hazards, and to continually  
2 emphasize the need to work safely. Crew supervisors and foremen held on-site pre-job  
3 safety briefings before the beginning of each job to review relevant safety issues and  
4 protocols

5 These safety protocols were effective. TNMP and its outside mutual assistance personnel  
6 completed the 10-day restoration effort without a single OSHA recordable incident.

7 **Q. PLEASE DESCRIBE THE COMMUNICATION OF RESTORATION PROGRESS TO**  
8 **THE MEDIA, MUNICIPALITIES, CUSTOMERS, REGULATORS AND EMPLOYEES.**

9 A. TNMP dedicated specific personnel for communication with the media, municipalities,  
10 state officials, industrial customers, Retail Electric Providers (“REPs”), call center and  
11 employees. Communications personnel were updated in twice daily briefings with the  
12 operations team in order to stay up to date on restoration efforts and progress.

13 TNMP communicated with the media via its dedicated Communication Manager via email  
14 and telephone.

15 In addition, TNMP focused on maintaining communication with relevant government  
16 agencies, regulators, and emergency organizations. TNMP’s Regional Community Liaison  
17 in the Gulf Coast, as well as other TNMP employees, met several times per day with local  
18 government agencies and emergency organizations. TNMP’s Vice President of  
19 Regulatory Affairs stayed in contact with the Commission Staff and the Commissioners  
20 via email twice per day and was also in contact with the Commission’s emergency  
21 operations group daily via phone and email throughout the event as needed. TNMP  
22 Government Relations provided multiple email updates each day to impacted legislators  
23 and staff at the state and federal level as well as to the staff of the Governor, Lieutenant  
24 Governor, and Speaker’s offices.

25 It was also TNMP’s priority to ensure that its customers remained informed throughout the  
26 event. Communication to the public began on July 6, with a reposting of a video with the  
27 latest information on Hurricane Beryl from the National Hurricane Center. On July 7,  
28 TNMP shared a press release on its social media channels regarding activation of its EOP  
29 in preparation for Hurricane Beryl. During the restoration efforts, TNMP Communications  
30 shared updated information on each of its social media channels two to five times per day.  
31 In addition, TNMP made frequent updates to its toll-free number IVR system and outage  
32 map, emailed market notifications to all Texas deregulated market participants, and  
33 provided updates through its call center.

34

***Detail of Damage Caused by Hurricane Beryl***

**Q. PLEASE DESCRIBE THE DAMAGE TO TNMP’S SYSTEM AS A RESULT OF HURRICANE BERYL.**

A. Hurricane Beryl was primarily a high wind event, and the effect of the wind on vegetation caused the majority of the damage to TNMP’s system. Hurricane Beryl caused damage to 481 distribution poles and over 2,700 downed spans of wire.

***Detail of Costs Incurred by Hurricane Beryl***

**Q. WHAT COSTS DOES TNMP SEEK TO RECOVER THAT WERE INCURRED AS A RESULT OF HURRICANE BERYL?**

A. TNMP incurred both Capital and O&M costs as a result of the damage caused by Hurricane Beryl and the resulting restoration efforts. TNMP has included the Capital portion of these costs in TCOS and DCRF Filings. In this proceeding, TNMP seeks recovery of its O&M costs, which total \$20,509,755.

**Q. PLEASE SUMMARIZE THE COSTS INCURRED BY THE DESTRUCTION LEFT BY HURRICANE BERYL.**

A. Please refer to Table 1 below for a summary breakdown of the Hurricane Beryl restoration O&M costs.

**TABLE 1**

<b>Category</b>	<b>Amount</b>
Outside Service	\$ 19,064,480
Internal Labor	\$ 939,087
Employee Expenses	\$ 396,527
Call Center Costs	\$ 109,661
<b>Total</b>	<b>\$ 20,509,755</b>

Please refer to Exhibit SRW-7 to the testimony of TNMP Witness Stacy R. Whitehurst for a detailed listing of the individual charges.

**Q. WERE THE O&M COSTS INCURRED BY TNMP IN ADDRESSING THE DAMAGES CAUSED BY HURRICANE BERYL REASONABLE?**

A. Yes. Based on previous restoration experience and the extent of damage, mutual assistance costs incurred were reasonable.

***Detail of Outside Reimbursement for Hurricane Beryl Expenses***

**Q. HAS TNMP RECEIVED ANY OUTSIDE REIMBURSEMENT FROM INSURANCE OR FROM ANY OTHER SOURCE?**

1 A. No.

2 ***Recovery of Hurricane Beryl Costs Recovery Riders***

3 **Q. PLEASE DESCRIBE HOW TNMP PROPOSES TO RECOVER THE COSTS OF**  
4 **HURRICANE BERYL?**

5 A. TNMP is requesting a five-year recovery of Hurricane Beryl O&M Costs through a rate  
6 rider, Hurricane Cost Recovery Rider (HCRF). Please refer to the testimony of TNMP  
7 witness Stacy Whitehurst for additional detail.

8 **VII. SELF-INSURANCE RESERVE**

9 **Q. PLEASE DESCRIBE TNMP'S SELF-INSURANCE RESERVE.**

10 A. TNMP has established a self-insurance reserve that it utilizes to set aside funds to cover  
11 the cost of repairing damage to its electric system that results from major storms. TNMP's  
12 system is subject to damage from storms on an ongoing basis. These can include  
13 thunderstorms with lightning and high winds, ice storms, tornados, and tropical storms and  
14 hurricanes. While the cost of repairing the damage caused by these storms is an ongoing  
15 normal expense, TNMP occasionally experiences major storms that cause significant  
16 damage to its system.

17 To help fund the cost of repairing damage from major storms, TNMP utilizes its self-  
18 insurance reserve. This reserve is used to cover the costs incurred in excess of \$50,000  
19 to repair damage from major storms. TNMP funds the reserve on a regular basis at a level  
20 previously authorized by the PUCT and charges the storm damage repair costs in excess  
21 of \$50,000 due to major storms to the reserve. This procedure helps to levelize the cost  
22 of repairing the damage from major storms, preventing large swings in TNMP's costs that  
23 would otherwise be caused by the unpredictable storms.

24 **Q. WHAT HAS TNMP'S EXPERIENCE WITH LARGE STORMS BEEN IN RECENT**  
25 **YEARS?**

26 A. Over the last 5 years, TNMP has experienced 22 storms that required TNMP to spend  
27 more than \$50,000 to repair the damage and restore service to our customers. In each of  
28 these 5 years there has been between 2 and 7 storms that exceeded \$50,000 damage.  
29 The damage amounts more than \$50,000 have varied from \$692,091 in 2020 to  
30 \$2,734,728 in 2023. Please see Exhibit KCN-4 for a list of the major storms that have  
31 occurred over the last 5 years and the damages of more than \$50,000 that TNMP has  
32 incurred.

33 **Q. PLEASE DESCRIBE THE PROCEDURE THAT TNMP USES TO RECORD THE COST**  
34 **OF MAJOR STORMS.**

1 A. When a large storm impacts TNMP's system, TNMP management monitors the damage  
2 to the system and the costs to repair the damage. If it is likely that the total storm damage  
3 will exceed \$50,000, special project work order numbers are created and communicated  
4 to operating personnel to record all costs incurred repairing the damage and restoring  
5 service to our customers. After all costs are incurred and all invoices paid, TNMP's  
6 accounting personnel review the costs to confirm that the storm restoration costs exceed  
7 \$50,000. At that time, costs in excess of \$50,000 are booked to the self-insurance reserve.

8 **Q. WHAT IS YOUR RECOMMENDATION REGARDING TNMP'S SELF-INSURANCE**  
9 **RESERVE?**

10 A. TNMP has made significant use of the self-insurance reserve since it was first established.  
11 By funding the reserve on a regular basis and charging costs over \$50,000 from major  
12 storms to the self-insurance reserve, TNMP levelizes the impact of major storms on  
13 TNMP's costs. I recommend that TNMP continue this practice for the benefit of the  
14 Company and its customers.

15 **Q. WAS TNMP ABLE TO DRAW ON ITS SELF-INSURANCE RESERVE FOR HURRICANE**  
16 **BERYL COSTS?**

17 A. No. The self-insurance Reserve funding is currently at a deficit, and TNMP is proposing  
18 separate funding for the Hurricane Beryl restoration costs via a rate rider.

19 **Q. DO YOU HAVE A SPECIFIC RECOMMENDATION FOR THE FUNDING LEVEL FOR**  
20 **THE SELF-INSURANCE RESERVE?**

21 A. No. Please refer to the testimony of TNMP witness Gregory E. Wilson. Mr. Wilson presents  
22 an actuarial analysis of TNMP's liabilities and presents his independent recommendation  
23 for funding of the self-insurance reserve.

24 **VIII. DISCRETIONARY SERVICE RATE CHANGES**

25 **Q. WHAT CHANGES TO TNMP'S DISCRETIONARY SERVICE RATES ARE YOU**  
26 **SPONSORING?**

27 A. I'm sponsoring changes to the rate levels of certain TNMP's Discretionary Services rates.  
28 These include Move-In, Move-Out, Disconnect for Non-Pay, Reconnect After DNP, Meter  
29 Testing, Off-Cycle Meter Read, Non-Standard Meter Installation, Service Call,  
30 Tampering/Broken Seal, Denial of Access, Temporary Facilities and Switchover Charge.

31 **Q. HOW WERE THESE RATE LEVELS DETERMINED?**

32 A. Personnel in the Operations organization execute these orders. Operations personnel in  
33 7 locations across TNMP's diverse service area were surveyed to determine the cost of  
34 providing each of the Discretionary Services in that area. This included identification of

1 the personnel performing the service, the type of vehicle used, and the time it takes to  
2 perform the service. This data was combined with current per-hour loaded labor and  
3 vehicle rates to determine the cost of providing each service. The cost for each area for  
4 each of the Discretionary Services was then averaged to arrive at a TNMP cost for the  
5 service.

6 The results of this survey for each area and the resulting costs as described above are  
7 shown in RFP Schedule IV-J-2. TNMP witness Stacy Whitehurst sponsors the  
8 computation of the revised Discretionary Fees based on these updated costs, also shown  
9 on Schedule IV-J-2.

10 **IX. CONCLUSION**

11 **Q. WHAT IS YOUR OVERALL CONCLUSION?**

12 A. TNMP's Operation organization is efficiently organized to meet the needs of its customers  
13 in its service territory. Its O&M expenses are reasonable, and it has a mechanism to  
14 control costs and address changed conditions. TNMP is implementing the vegetation  
15 management program as approved in its SRP and the costs operating and maintaining its  
16 cyclical program should be recovered in base rates as a customary and ordinary electric  
17 utility cost. TNMP efficiently and safely restored service to its customers by taking required  
18 actions to address the damage caused by Hurricane Beryl, and the costs incurred in doing  
19 so were reasonable. The O&M expense portion of these costs should be recovered in a  
20 rate rider over a 5-year period. TNMP's self-insurance reserve serves a useful purpose  
21 in that it levelizes the costs of major storm damage to TNMP and its customers and should  
22 be continued at an appropriate funding level. Finally, TNMP's proposed changes to its  
23 Discretionary Service rates reflect current costs, are reasonable and should be adopted.

24 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

25 A. Yes, it does.

**AFFIDAVIT**

**STATE OF TEXAS**                   §

**COUNTY OF DENTON**           §

BEFORE ME, the undersigned authority, on this day personally appeared Keith C. Nix, who, upon proving his identity to me and by me being duly sworn, deposes and states the following:

“My name is Keith C. Nix. I am of legal age, a resident of the State of Texas, and have never been convicted of a felony. I certify that the foregoing testimony, offered by me on behalf of Texas-New Mexico Power Company, is true and correct and based upon my personal knowledge and experience.”

*Keith C. Nix*

\_\_\_\_\_  
Witness

\*\*\*\*\*

SWORN TO AND SUBSCRIBED before me, Notary Public, on this 10<sup>th</sup> day of November, 2025, to certify which witness my hand and seal of office.

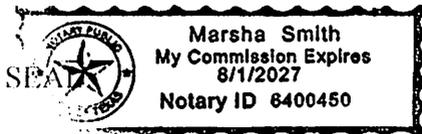
*Marsha Smith*

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Texas

Printed Name: Marsha Smith

My Commission expires: 8/1/27

Notary ID# 6400450



**Keith Nix, P.E. Vice President – Operations**

**Employment:**

**Texas-New Mexico Power Company**

Vice President – Operations, 2022 – Present

**Texas-New Mexico Power Company**

Vice President – Engineering & Technical Services, 2014 – 2022

**Public Service Company of New Mexico**

Director – Technical Services & System Reliability, 2010 – 2014

**Public Service Company of New Mexico**

Director – Utility Operations Projects, 2008 – 2010

**Public Service Company of New Mexico**

Director – Power Operations, 2006 – 2008

**Public Service Company of New Mexico**

Sr. Project Manager, 2004 – 2006

**Public Service Company of New Mexico**

Team Leader II, 2003 – 2004

**Texas-New Mexico Power Company**

Managing Engineer (New Mexico), 1999 – 2003

**Texas-New Mexico Power Company**

Sr. Engineer (New Mexico), 1998 – 1999

**El Paso Electric Company**

Relay Engineer, 1994 – 1998

**Education:**

**Bachelor of Science – Electrical Engineering (Power Emphasis)**

New Mexico State University, Las Cruces, New Mexico, 1993

**Certification:**

**Registered Professional Engineer, New Mexico, 2004**

**Prior Testimony****NMPRC:**

**09-00260-UT**, NOTICE OF FILING OF “RENEWABLE ENERGY PORTFOLIO PROCUREMENT PLAN FOR 2010”

**PUCT:**

**48401**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR AUTHORITY TO CHANGE RATES

**51959**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR

**51752**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**52347**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**53146**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**53436**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR

**53856**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**54588**, APPLICATION OF TEXAS-NEW MEXICO POWER FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**54807**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR

**55270**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**56045**, COMPLAINT OF VALERO REFINING-TEXAS, LP AGAINST TEXAS-NEW MEXICO POWER COMPANY

**56155**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**56428**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR

**56860**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**56887**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR

**56954**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR APPROVAL OF A SYSTEM RESILIENCY PLAN

**57578**, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES

**57816, APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY TO AMEND ITS  
DISTRIBUTION COST RECOVERY FACTOR**

TNMP Operations  
Operations and Maintenance Expenses

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>12.M.E. 6/30/2025</u>
BAY BUSINESS UNIT	\$ 2,258,951	\$ 2,088,402	\$ 2,052,176	\$ 2,516,847	\$ 2,996,420	\$ 2,790,662	\$ 2,940,568	\$ 2,852,093
BRAZOS BUSINESS UNIT	1,697,072	1,554,111	1,728,730	1,991,068	1,885,795	1,568,807	1,880,059	1,975,363
MAINLAND BUSINESS UNIT	2,157,113	2,073,020	1,855,697	2,037,220	2,094,499	2,467,440	2,674,412	2,623,097
METER SERVICES	357,260	363,618	382,791	388,613	402,318	412,120	362,966	239,711
CT BUSINESS UNIT	2,386,936	2,344,785	2,152,462	2,323,209	2,363,837	2,546,763	2,881,512	3,012,386
WT BUSINESS UNIT	2,207,250	2,166,278	2,559,657	2,555,350	3,098,920	3,750,264	3,606,875	3,675,781
LEWISVILLE BUSINESS UNIT	1,371,695	1,301,566	1,224,989	1,460,211	1,610,155	1,641,008	1,640,244	1,680,136
NT BUSINESS UNIT	2,113,711	1,971,501	2,175,804	2,428,689	2,790,792	2,728,260	3,012,660	3,077,845
BUSINESS OPERATIONS	165,606	169,611	158,451	155,486	199,443	62,379	135,107	157,156
Total	\$ 14,715,595	\$ 14,032,890	\$ 14,290,755	\$ 15,856,693	\$ 17,442,179	\$ 17,967,704	\$ 19,134,402	\$ 19,293,567
							Avg Growth	4.5%

**TNMP Proactive Cyclical VM 3-Year Program Costs**

**Exhibit KCN-3**

**Page 1 of 1**

**Distribution**

	<u>Gulf Coast</u>	<u>Central</u>	<u>North</u>	<u>West</u>	<u>Unplanned Maintenance</u>	<u>3-Year Total</u>
Year 1	\$ 11,384,672	\$ 5,375,674	\$ 7,147,693	\$ 674,067	\$ 3,687,316	\$ 28,269,422
Year 2	\$ 11,726,213	\$ 5,536,945	\$ 7,362,124	\$ 694,289	\$ 3,797,935	\$ 29,117,505
Year 3	\$ 12,077,999	\$ 5,703,053	\$ 7,582,987	\$ 715,117	\$ 3,911,873	\$ <u>29,991,030</u>
						\$ 87,377,956

**Transmission**

	<u>Gulf Coast</u>	<u>Central</u>	<u>North</u>	<u>West</u>	<u>Unplanned Maintenance</u>	<u>3-Year Total</u>
Year 1	\$ 1,118,043	\$ 816,749	\$ 414,770	\$ 124,710	\$ 247,427	\$ 2,721,699
Year 2	\$ 1,151,584	\$ 841,251	\$ 427,213	\$ 128,451	\$ 254,850	\$ 2,803,350
Year 3	\$ 1,186,132	\$ 866,489	\$ 440,029	\$ 132,305	\$ 262,495	\$ <u>2,887,450</u>
						\$ 8,412,498

**Total**

	<u>Gulf Coast</u>	<u>Central</u>	<u>North</u>	<u>West</u>	<u>Unplanned Maintenance</u>	<u>3-Year Total</u>
Year 1	\$ 12,502,715	\$ 6,192,423	\$ 7,562,463	\$ 798,776	\$ 3,934,743	\$ 30,991,120
Year 2	\$ 12,877,797	\$ 6,378,196	\$ 7,789,336	\$ 822,740	\$ 4,052,785	\$ 31,920,854
Year 3	\$ 13,264,131	\$ 6,569,542	\$ 8,023,017	\$ 847,422	\$ 4,174,369	\$ <u>32,878,480</u>

Total 3-yrs	\$ 95,790,454
3-year Average	\$ 31,930,151

**TNMP**  
**Self Insurance Reserve**  
**Storm Amounts Collected over \$50,000**

Line No.	Description	Amount*
1	Gulf Coast Storm May 2020	\$ 200,629
2	Gulf Coast Storm July 2020	30,419
3	Hurricane Laura - August 2020	449,032
4	CTC Reclass - December 2020	12,011
5	CTX Snow Storm TCTXS111 - January 2021	29,155
6	Tx Winter Storm Feb 2021	588,954
7	Tx Hurricane Nicholas Sep 2021	1,773,376
8	Tx Winter Storm Landon 2022	1,091,289
9	Feb 22nd Storm 2022	1,208,959
10	Mar 2023 Ice Strm Mara	2,554,954
11	June 2023 Gulf Coast Storm	176,890
12	June 2023 North Texas Storm	2,884
13	March 2024 Angleton Storm	317,482
14	April 2024 Gulf Coast Storm	347,147
15	528 Gulf Coast Storm 2024	76,881
16	531 Gulf Coast Storm 2024	59,686
17	Pilot Point Storm May 2024	49,880
18	May 2024 Lewisville Storm	32,492
19	Tropical Storm Francine Sep 2024	198,773
20	Gulf Coast Storm 01-20-2025	245,699
21	Winter Storm 01-10-2025	341,368
22	Gordon Tornado 05-18-2025	43,262
23		
24	<b>Total</b>	<b>\$ 9,831,223</b>

\*Excludes the first \$50,000

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

WORKPAPERS FOR  
THE DIRECT TESTIMONY OF  
KEITH C. NIX

TNMP Witness Keith C. Nix has no supporting workpapers for his direct testimony.