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DOCKET NO. 58443

APPLICATION OF TEXAS-NEW	§	
MEXICO POWER COMPANY FOR	§	PUBLIC UTILITY COMMISSION
INTERIM UPDATE OF WHOLESALE	§	
TRANSMISSION RATES PURSUANT	§	OF TEXAS
TO 16 TEX. ADMIN. CODE § 25.192(h)	§	

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DOCKET NO. 58443

APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES PURSUANT TO 16 TEX. ADMIN. CODE § 25.192(h)(1)	§ § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY

TO THE HONORABLE PUBLIC UTILITY COMMISSION:

NOW COMES Texas-New Mexico Power Company (“TNMP” or “Company”), and files this, its Application of Texas-New Mexico Power Company for Interim Update of Wholesale Transmission Rates Pursuant to 16 Tex. Admin. Code § 25.192(h) (“Application”) and the Filing Requirements for Interim Update of Wholesale Transmission Rates Pursuant to 16 Tex. Admin. Code § 25.192(h)(1) (the “Interim TCOS Filing Package”), respectfully showing as follows:

I. BACKGROUND AND AUTHORITY

In this application, TNMP seeks an interim revision to its previously approved transmission cost of service (“TCOS”) and wholesale rate pursuant to, and consistent with, the requirements of Public Utility Commission of Texas (“Commission” or “PUCT”) 16 Tex. Admin. Code § 25.192(h)(1) (“TAC”).

16 TAC § 25.192(h)(1) permits that each TSP in the ERCOT region may apply to update its transmission rates on an interim basis, not more than twice per calendar year, to reflect changes in its invested capital. Proceedings pursuant to this rule are not intended to determine the reasonableness of the interim costs. Instead, 16 TAC § 25.192(h)(2) requires that any review of whether the interim transmission plant costs are reasonable and necessary will occur at the next complete review of TNMP’s transmission cost of service.

II. TNMP’S FILING

Together with this Application, TNMP has filed, and incorporates by reference, the Direct Testimony and Exhibits of Randall Hackbarth, the Direct Testimony and Exhibits

of Keith Nix, and the Interim TCOS Schedules and Workpapers. As discussed in Section V below, TNMP's form of notice is attached as Exhibit A.

III. COSTS INCLUDED IN TNMP'S INTERIM TCOS UPDATE

TNMP's Application compares the actual June 30, 2025 transmission net plant balances with the December 31, 2024 net plant balances established in Docket No. 57578.¹ The difference between these two balances provides the increase in the rate base for TNMP in this Application.

IV. RELIEF REQUESTED

The requested increase in total transmission rate base in this filing is \$87,407,303 with an increase in total transmission revenue requirement of \$12,294,042. TNMP further requests that the Commission approve an interim wholesale transmission rate of \$2.311573/kW, effective as early as August 28, 2025, but no later than 60 days after filing (i.e., September 22, 2025).

V. NOTICE AND PROCESSING

Pursuant to 16 TAC § 25.192(h)(4)(A), TNMP will provide written notice in the form attached as Exhibit A by email, to all parties in the last complete review of TNMP's transmission cost of service proceeding,² as well as to every distribution service provider listed in the matrix utilized by the Commission in Docket No. 57491,³ which established wholesale transmission charges for the year 2025. TNMP will endeavor to serve notice within one business day. Upon completion of the notice described above, TNMP will file an affidavit attesting to the provision of such notice within a reasonable time and by such date as may be established by the presiding officer.

TNMP respectfully requests that the Commission docket this Application upon receipt and issue an order establishing the appropriate intervention deadline and requiring

¹ *Application of Texas-New Mexico Power Company for Interim Update of Wholesale Transmission Rates*, Docket No. 57578, Notice of Approval (March 25, 2025).

² *Application of Texas-New Mexico Power Company to Change Rates*, Docket No. 48401, Final Order (December 20, 2018).

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

Commission Staff to comment on material sufficiency of the Application. 16 TAC § 25.192(h)(4)(A) establishes an intervention deadline of 21 days from the date service is completed, and 16 TAC § 25.192(h)(4)(B) provides the deadline for Commission Staff to file a motion regarding material sufficiency of the Application no later than 21 days after the application is filed. Additionally, pursuant to 16 TAC § 25.192(h)(4)(C), if no timely requests to intervene are filed, TNMP requests the Commission process this Application under the requirements of 16 TAC § 22.35, Informal Disposition, whereby an approval must occur 60 days after the date a materially sufficient application is filed. TNMP proposes the following schedule for the Commission's consideration:

Action	Date	No. of Days from Filing
TNMP Application filed.	Thursday, July 24, 2025	
Deadline for Intervention. Deadline for Staff Comments on Material Sufficiency.	Thursday, August 14, 2025	21 days
Intervenor Comments or Request for a Hearing.	Thursday, August 14, 2025	21 days
If no hearing requested, deadline for Staff's Final Recommendation.	Thursday, August 21, 2025	28 days
Deadline for TNMP to request hearing or respond to intervenor comments and Staff's Recommendation on Final Disposition; - or - if no disputed issues exist, deadline for parties to file Proposed Finding of Facts, Conclusions of Law, and Ordering Paragraphs.	Monday, August 25, 2025	32 days
Final Order.	Thursday, August 28, 2025	35 days

In the alternative, and to the extent that the Commission determines such is necessary, TNMP requests the scheduling of a prehearing conference as soon as possible to address the processing of this docket.

To the extent the relief requested herein is contested in a manner that would prevent the implementation of TNMP's request by August 28, 2025, TNMP respectfully requests an opportunity for hearing, pursuant to 16 TAC § 22.125(c), to establish that good cause exists for the Commission to grant TNMP interim relief. In such event, TNMP further requests expedited treatment of this petition to permit the Commission to issue an interim order before the requested effective date, and a final order as expeditiously as possible thereafter.

VI. PRAYER

WHEREFORE, PREMISES CONSIDERED, TNMP respectfully requests that the Commission approve TNMP's Application and order an interim adjustment to TNMP's transmission revenue requirement of \$12,294,042, approve an interim wholesale transmission rate of \$2.311573/kW, effective as early as August 28, 2025, but no later than 60 days after filing, (i.e., September 22, 2025) and for such other and further relief to which it may show itself entitled.

Date: July 24, 2025

Respectfully submitted,

/s/ Scott Seamster

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**ATTORNEY FOR TEXAS-NEW MEXICO
POWER COMPANY**

NOTICE OF RATE CHANGE REQUEST

On July 24, 2025, Texas-New Mexico Power Company (“TNMP”) filed its Application for Interim Update of Wholesale Transmission Rates Pursuant to 16 Tex. Admin. Code § 25.192(h)(1) (“Application”). TNMP’s Application seeks an interim rate adjustment to the previously approved transmission cost of service and wholesale transmission rate due to transmission investment in excess of the level currently authorized in rates. If approved, the total rate base interim increase will be \$87,407,303 with a total revenue requirement interim increase of \$12,294,042 and an interim wholesale transmission rate of \$2.311573/kW. The proposed interim revenue requirement increase represents an approximate 7.0% percent increase in TNMP’s wholesale transmission revenue requirement. TNMP has requested an effective date for the interim wholesale transmission rate of August 28, 2025.

Because the Application requests a revision of TNMP’s wholesale transmission rate to reflect changes in its invested capital, affected customers include all distribution service providers who pay wholesale transmission charges pursuant to the Substantive Rules of the Public Utility Commission of Texas.

A complete copy of TNMP’s Application is available for inspection at TNMP’s offices located at 577 N. Garden Ridge Blvd., Lewisville, Texas 75067.

Persons who wish to intervene in, or comment upon, these proceedings should notify the Public Utility Commission of Texas as soon as possible as TNMP has requested an intervention deadline of 21 days after the filing of the application. If TNMP’s request is granted, the intervention deadline will be February 14, 2025. A request to intervene or request for further information should be made to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326 and reference Docket No. 57578. Further information may also be obtained by calling the Public Utility Commission of Texas at (512) 936-7120 or (888) 782-8477. Hearing-and-speech impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136.

TEXAS-NEW MEXICO POWER COMPANY

Schedule A (Interim): Summary of Interim Wholesale Transmission Cost of Service

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Update Period 1/01/2025 - 6/30/2025				
Description	Total Approved per Docket 57578 (1)	Interim Annual Increase (2)	Interim Revenue Requirement (3) = (1) + (2)	Reference Schedule
Operation & Maintenance	7,064,252	N/A	7,064,252	Docket 48401
Depreciation and Amortization	52,753,941	3,371,658	56,125,599	E-1
Taxes Other Than Income Taxes	13,217,526	1,016,974	14,234,500	E-2
Federal Income Tax	9,092,751	1,008,973	10,101,725	E-3
Return on Rate Base	92,899,889	6,896,436	99,796,325	B
Total Revenue Requirement	175,028,360	12,294,042	187,322,402	
Other Expenses	280,227	N/A	280,227	Docket 48401
Other Revenues	(266,633)	N/A	(266,633)	Docket 48401
Total	175,041,954	12,294,042	187,335,996	
ERCOT AVERAGE 4 CP-in kW	81,042,656.6		81,042,656.6	
Wholesale Rate \$/kW	\$ 2.159874		\$ 2.311573	

Schedule B (Interim): Summary of Interim Wholesale Transmission Rate Base

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Update Period 1/01/2025 - 6/30/2025				
Description	Total Approved per Docket 57578 (1)	Balance as of end of update period (2)	Increase in Rate Base & Return (3) = (2) - (1)	Reference Schedules
Direct Assigned:				
FERC Accounts-(350-62)				
Original Plant In Service	1,473,714,645	1,583,214,128	109,499,482	B-1
(Accumulated Depreciation)	(219,263,851)	(241,356,031)	(22,092,180)	B-5
Net Plant In Service	1,254,450,794	1,341,858,097	87,407,303	
Allocated Plant Accounts- Net	13,985,191	13,985,191	N/A	Docket 48401
CWIP	272,256	272,256	N/A	Docket 48401
Working Capital	(1,008,576)	(1,008,576)	N/A	Docket 48401
Plant Held for Future Use	-	-	N/A	Docket 48401
Reserve for Insurance	-	-	N/A	Docket 48401
Other	(90,261,271)	(90,261,271)	N/A	Docket 48401
Total Rate Base	1,177,438,393	1,264,845,696	87,407,303	
Rate of Return	7.8900%	7.8900%	7.8900%	Docket 48401
Return on Rate Base	92,899,889	99,796,325	6,896,436	

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Update Period 1/01/2025 - 6/30/2025								
Account No.	Description	Reference Schedule Worksheet	Balance as of last TCOS per Docket 57578 (1)	Non-Affiliate Additions in period 1/01/2025 - 6/30/2025 (2)	Retirements/Adjustments in period 1/01/2025 - 6/30/2025 (3)	FERC 898 Compliance Adjustment in period 1/01/2025 - 6/30/2025 (4)	Affiliate Cost Additions in period 1/01/2025 - 6/30/2025 (5)	Balance end of period 1/01/2025 - 6/30/2025 (6) = (1) + ... + (5)
Transmission Plant-Gross								
A350.0	Land	WP/ Schedule B-1.1	8,255,478	855,955	-	-	39,881	9,151,314
A350.1	Land Rights	WP/ Schedule B-1.1	15,317,987	23,760,221	-	-	1,107,052	40,185,260
A351.1	Computer Hardware	WP/ Schedule B-1.1	-	40,954	-	257,684	1,908	300,547
A351.2	Computer Software	WP/ Schedule B-1.1	-	-	-	-	-	-
A351.3	Communication Equipment	WP/ Schedule B-1.1	-	417,754	-	1,167,053	19,464	1,604,272
A352	Structures and Improvements	WP/ Schedule B-1.1	59,324,880	5,479,048	(4,297)	-	255,284	65,054,915
A353	Station Equipment	WP/ Schedule B-1.1	353,220,959	17,252,555	(540,617)	-	803,843	370,736,740
A354	Towers and Fixtures	WP/ Schedule B-1.1	11,971,774	-	(19,107)	-	-	11,952,667
A355	Poles and Fixtures	WP/ Schedule B-1.1	492,873,332	31,235,722	(308,075)	-	1,455,356	525,256,336
A356	O.H. Conductors & Devices	WP/ Schedule B-1.1	210,505,657	11,318,041	(264,409)	-	527,338	222,086,627
A357	Underground Conduit	WP/ Schedule B-1.1	-	-	-	-	-	-
A358	Underground Conductors	WP/ Schedule B-1.1	-	-	-	-	-	-
A359	Roads and Trails	WP/ Schedule B-1.1	554,493	-	-	-	-	554,493
A360	Distribution above 60 kv	WP/ Schedule B-1.1	-	-	-	-	-	-
A361	Distribution above 60 kv	WP/ Schedule B-1.1	-	-	-	-	-	-
A362	Distribution above 60 kv	WP/ Schedule B-1.1	321,690,086	15,772,256	(1,866,256)	-	734,872	336,330,957
TOTAL TRANSMISSION PLANT IN SERVICE-GROSS			1,473,714,645	106,132,507	(3,002,761)	1,424,738	4,944,998	1,583,214,128

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Affiliate Costs
 Update Period 1/01/2025 - 6/30/2025

Account No.	Description	Reference Schedule Workpaper	Total Gross Plant Additions in period 1/01/2025 - 6/30/2025 (1)	Non-Affiliate Additions in period 1/01/2025 - 6/30/2025 (2)	Affiliate Cost - Additions in period 1/01/2025 - 6/30/2025 (3)
Transmission Plant-Gross					
A350.0	Land	Schedule B-1	895,836	855,955	39,881
A350.1	Land Rights	Schedule B-1	24,867,274	23,760,221	1,107,052
A351.1	Computer Hardware	Schedule B-1	42,862	40,954	1,908
A351.2	Computer Software	Schedule B-1	-	-	-
A351.3	Communication Equipment	Schedule B-1	437,218	417,754	19,464
A352	Structures and Improvements	Schedule B-1	5,734,332	5,479,048	255,284
A353	Station Equipment	Schedule B-1	18,056,398	17,252,555	803,843
A354	Towers and Fixtures	Schedule B-1	-	-	-
A355	Poles and Fixtures	Schedule B-1	32,691,079	31,235,722	1,455,356
A356	O.H. Conductors & Devices	Schedule B-1	11,845,379	11,318,041	527,338
A357	Underground Conduit	Schedule B-1	-	-	-
A358	Underground Conductors	Schedule B-1	-	-	-
A359	Roads and Trails	Schedule B-1	-	-	-
A360	Distribution above 60 kv	Schedule B-1	-	-	-
A361	Distribution above 60 kv	Schedule B-1	-	-	-
A362	Distribution above 60 kv	Schedule B-1	16,507,127	15,772,256	734,872
TOTAL TRANSMISSION PLANT IN SERVICE-GROSS			111,077,505	106,132,507	4,944,998

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Transmission Capital Spending Summary
 Update Period 1/01/2025 - 6/30/2025

Time Period	Reference Schedule Workpaper	Shared Services A&G Loads Applied	Total Direct Transmission Capital Costs	Shared Services A&G Load Rate
1/01/2025 - 6/30/2025	WP Schedule B-1.1 2	4,944,998	106,132,507	4.6593%

Interim WholesaleTransmission Cost of Service				
TEXAS-NEW MEXICO POWER COMPANY				
Affiliate Cost Break-Out				
Update Period 1/01/2025 - 6/30/2025				
Project #	Project Description/Title	Amount	Total Affiliate	
			A&G Load	Costs
Additions Over \$100,000				
NTE09023	New Pilot Point T-Line	24,675,656	1,204,954	1,204,954
NTE09123	Jupiter Tidwell Prairie ESR TNP1Sub	16,787,434	713,806	713,806
STE07224	Rebuild Brazoria to Retrieve 3000A	10,378,617	453,344	453,344
STE07823	LeagueCity to HiddenLakes Rbld3000A	9,085,287	384,441	384,441
STE08024	Magnolia-Seminole138kVRebuild RPG	8,328,937	381,060	381,060
NTE03623	LakeWhitney Autotransformer Replace	5,417,566	209,395	209,395
STE02625	Rebuild League City High Side	4,777,982	192,735	192,735
NTE08625	TwinOaks RemoteEndWork and Upgrades	4,168,376	209,610	209,610
NTE08525	TNP One Remote End Work	2,958,800	140,050	140,050
STE08524	Hidden Lakes - Evelyn Energy T-Line	2,209,939	91,174	91,174
NTE02225	Coachwhip 2nd Transformer	1,803,936	78,341	78,341
STE02425	WCL Line Term Add - Castor ESR	1,775,430	80,119	80,119
STE02624	League City Line Term Add - Wizard	1,699,536	65,725	65,725
STE08924	Rebuild 69kV Line Texas City	1,688,642	94,733	94,733
NTE08508	Hico to Iredell 69kV Hvy Line Maint	1,516,217	76,536	76,536
NTE08006	Airport to Avilla TLine Construct	1,455,504	53,192	53,192
STE08124	FM524 Terminal Addition-Desna BESS	1,455,465	58,394	58,394
NTE08623	Stone Road Switching Station	1,437,357	54,700	54,700
STE08724	League City to Butler RD Reterm	1,321,080	49,632	49,632
NTE08424	Cottonwood to Oncor Lean Clay	1,301,680	53,065	53,065
NTE08524	Kermit#2 TransmissionLine & Cut In	1,293,251	56,102	56,102
STE08324	Alvin to Bocanova T-Line	1,186,081	47,533	47,533
NTE07825	Cowpen 345kV/138kV Station RPG	1,054,459	55,591	55,591
NTE08624	Blue Ridge TransmissionLine & Cut In	772,855	25,893	25,893
NTE03022	Avila Energy Storage Resource	325,156	14,532	14,532
STE07524	Clemons Tap-Clemons Dome Pole Rplmt	309,065	16,189	16,189
NTE08723	Blackjack Switching Station	251,395	9,888	9,888
TXG07724	Switch Replacements	188,019	6,442	6,442
STE02524	Alvin Line Term Add - Bocanova	172,747	9,691	9,691
TXG07624	Transmission PT CT Replacements	166,766	7,489	7,489
NTE03124	Kermit #2 4kV BayUpgrade to 12.47kV	159,259	7,378	7,378
NTE08608	Black Jack Transmn Line and Cut In	129,164	5,515	5,515
NTE08824	Olsen to VMills 69kV HeavyLine Maint	120,086	6,376	6,376
Subtotal - Additions Over \$100,000		110,371,744	4,913,627	4,913,627
Additions Under \$100,000 and Over \$50,000				
TXG02224	Distribution Breaker Asset Mgmt	96,843	4,135	4,135
STE02012	STE Distribution Substation	90,433	4,331	4,331
STE07112	STE Misc Transmission	83,798	3,704	3,704
TXG02724	Sub Battery Replacement Add Dist	64,633	2,460	2,460
NTE08124	Whitewright-Climax Heavy Line Maint	60,528	2,585	2,585
NTE07112	NTE Misc Transmission	55,129	1,819	1,819
NTE02624	Sand Lake 2nd XFMR	53,471	2,481	2,481
NTE08206	LakeWhitney BreakerandPanel Replace	53,375	2,656	2,656
Subtotal - Additions Under \$100,000 and Over \$50,000		558,210	24,171	24,171
Additions Under \$50,000		147,550	7,200	7,200
TOTAL ADDITIONS		111,077,505	4,944,998	4,944,998

Interim Wholesale Transmission Cost of Service

TEXAS-NEW MEXICO POWER COMPANY

Gross Plant Additions Listing

Update Period 1/01/2025 - 6/30/2025

Project #	Project Description/Title	Amount	In Service Date	Project Type	ERCOT Input/Review
Additions Over \$100,000					
NTE09023	New Pilot Point T-Line	24,675,656	6/11/2025	Load Growth	Yes - CCN
NTE09123	Jupiter Tidwell Prairie ESR TNP1Sub	16,787,434	6/3/2025	Generation Interconnection	Yes
STE07224	Rebuild Brazoria to Retrieve 3000A	10,378,617	5/19/2025	Load Growth	
STE07823	LeagueCity to HiddenLakes Rbld3000A	9,085,287	5/19/2025	Load Growth	
STE08024	Magnolia-Seminole138kVRebuild	8,328,937	5/19/2025	Load Growth	Yes
NTE03623	LakeWhitney Autotransformer Replace	5,417,566	6/11/2025	Capital Replacement	
STE02625	Rebuild League City High Side	4,777,982	6/12/2025	Capital Maintenance	
NTE08625	TwinOaks RemoteEndWork and Upgrades	4,168,376	6/10/2025	Generation Interconnection	Yes
NTE08525	TNP One Remote End Work	2,958,800	6/10/2025	Generation Interconnection	Yes
STE08524	Hidden Lakes - Evelyn Energy T-Line	2,209,939	5/29/2025	Generation Interconnection	Yes
NTE02225	Coachwhip 2nd Transformer	1,803,936	6/11/2025	Load Growth	
STE02425	WCL Line Term Add - Castor ESR	1,775,430	6/12/2025	Generation Interconnection	Yes
STE02624	League City Line Term Add - Wizard	1,699,536	6/27/2025	Generation Interconnection	Yes
STE08924	Rebuild 69kV Line Texas City	1,688,642	12/23/2024	Load Growth	
NTE08508	Hico to Iredell 69kV Hvy Line Maint	1,516,217	5/13/2025	Capital Maintenance	
NTE08006	Airport to Avilla TLine Construct	1,455,504	5/20/2025	Generation Interconnection	Yes
STE08124	FM524 Terminal Addition-Desna BESS	1,455,465	6/26/2025	Generation Interconnection	Yes
NTE08623	Stone Road Switching Station	1,437,357	6/11/2025	Generation Interconnection	Yes
STE08724	League City to Butler RD Reterm	1,321,080	5/29/2025	Load Growth	Yes
NTE08424	Cottonwood to Oncor Lean Clay	1,301,680	2/24/2025	Load Growth	
NTE08524	Kermit#2 TransmissionLine & Cut In	1,293,251	3/26/2025	Load Growth	
STE08324	Alvin to Bocanovva T-Line	1,186,081	6/12/2025	Generation Interconnection	Yes
NTE07825	Cowpen 345kV/138kV Station RPG	1,054,459	6/11/2025	Load Growth	Yes - RPG/CCN
NTE08624	BlueRidge TransmissionLine & Cut In	772,855	3/26/2025	Load Growth	
NTE03022	Avila Energy Storage Resource	325,156	5/20/2025	Generation Interconnection	Yes
STE07524	Clemons Tap-Clemons Dome Pole Rplmt	309,065	3/26/2025	Capital Replacement	
NTE08723	Blackjack Switching Station	251,395	12/20/2024	Load Growth	
TXG07724	Switch Replacements	188,019	6/26/2025	Capital Replacement	
STE02524	Alvin Line Term Add - Bocanovva	172,747	06/24/25	Generation Interconnection	Yes
TXG07624	Transmission PT CT Replacements	166,766	03/25/25	Capital Replacement	
NTE03124	Kermit #2 4kV BayUpgrade to 12.47kV	159,259	12/20/25	Load Growth	
NTE08608	Black Jack Transmn Line and Cut In	129,164	12/26/24	Load Growth	
NTE08824	Olsen to VMills 69kV HeavyLineMaint	120,086	12/18/24	Capital Replacement	
Subtotal - Additions Over \$100,000		110,371,744			
Additions Under \$100,000 and Over \$50,000					
TXG02224	Distribution Breaker Asset Mgmt	96,843	11/20/24	Capital Replacement	
STE02012	STE Distribution Substation	90,433	01/03/25	Capital Replacement	
STE07112	STE Misc Transmission	83,798	02/19/25	Capital Replacement	
TXG02724	Sub Battery Replacement Add Dist	64,633	02/19/25	Capital Replacement	
NTE08124	Whitewright-Climax Heavy Line Maint	60,528	10/23/24	Capital Replacement	
NTE07112	NTE Misc Transmission	55,129	03/25/25	Capital Replacement	
NTE02624	Sand Lake 2nd XFMR	53,471	12/17/24	Load Growth	
NTE08206	LakeWhitney BreakerandPanel Replace	53,375	06/11/25	Capital Replacement	
Subtotal - Additions Under \$100,000 and Over \$50,000		558,210			
Additions Under \$50,000		147,550			
TOTAL ADDITIONS		111,077,505			

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Gross Plant Retirement/Transfers Listing
Update Period 1/01/2025 - 6/30/2025

<u>Project #</u>	<u>Project Description/Title</u>	<u>Amount</u>	<u>Retirement Date</u>
Retirements Over \$15,000			
STE02625	Rebuild League City High Side	(1,780,236)	6/1/2025
STE07224	Rebuild Brazoria to Retrieve 3000A	(263,423)	6/1/2025
NTE08525	TNP One Remote End Work	(122,388)	6/1/2025
TXG07624	Transmission PT CT Replacements	(116,460)	3/1/2025
STE08024	Magnolia-Seminole138kVRebuild RPG	(111,975)	6/1/2025
STE07112	STE Misc Transmission	(76,942)	2/1/2025
TXG08023	Cloud Gate in Transm Substations	(75,538)	3/1/2025
TXG07724	Switch Replacements	(74,431)	6/1/2025
NTE07112	NTE Misc Transmission	(56,600)	3/1/2025
STE08524	Hidden Lakes - Evelyn Energy T-Line	(50,571)	6/1/2025
TXG02724	Sub Battery Replacement Add Dist	(46,991)	2/1/2025
LVE07112	LVE Misc Transmission	(42,578)	4/1/2025
NTE08508	Hico to Iredell 69kV Hvy Line Maint	(35,030)	6/1/2025
STE02012	STE Distribution Substation	(33,588)	5/1/2025
SOC07112	SOC Misc Transmission	(31,248)	3/1/2025
STE07823	LeagueCity to HiddenLakes Rbld3000A	(21,821)	6/1/2025
NTE09123	Jupiter Tidwell Prairie ESR TNP1Sub	(19,842)	6/1/2025
TXG07824	Lightning Arrestor Replacements	(15,551)	6/1/2025
Subtotal - Retirements Over \$15,000		<u>(2,975,215)</u>	
Retirements Under \$15,000, Transfers, Adjustments		<u>(27,546)</u>	
TOTAL RETIREMENTS/TRANSFERS/ADJUSTMENTS		<u><u>(3,002,761)</u></u>	

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Transmission Construction Report Reconciliation
 Update Period: 1/1/2025 - 6/30/2025

Month	Project #	Project Name	Final Cost Reported on Construction Report	Amount Per Books	Difference	Variance Explanation
January-25						
	51E05321	Alvin Sub	\$ 13,140,425.00	\$ 13,140,424.52	\$ 0.48	
	N1E09425	Whiteaker-RithNatural	\$ 9,682,527.00	\$ 9,723,965.90	\$ (41,438.90)	Additional costs or credits booked to project after report date
	NTT03404	Coachwhip Substation	\$ 11,999,375.00	\$ 11,999,374.90	\$ 0.10	
	NTT07504	Walnut Springs to Glen Rose	\$ 7,091,477.00	\$ 7,096,856.40	\$ (5,384.40)	Additional costs or credits booked to project after report date
	51E02224	ADD MEILIRING AT BKAZORIA FOR DOW	\$ 2,62,425.00	\$ 2,62,425.12	\$ (0.12)	
February-25						
	NTT03773	Carroll County	\$ 14,490,343.00	\$ 14,490,343.48	\$ (0.48)	
	N1E07724	Ranger to Thurber	\$ 1,755,862.00	\$ 1,755,861.66	\$ 0.34	
	51E09324	LINDELLTERRM GSO-N TO NEWDOXSTATION	\$ 513,934.00	\$ 513,934.12	\$ (0.12)	
	NTT08773	Black Jack Switching Station	\$ 17,261,066.00	\$ 17,274,977.51	\$ (13,911.51)	Additional costs or credits booked to project after report date
	NTT03774	Slaghorn XPMR Addition	\$ 6,599,274.00	\$ 6,605,339.74	\$ (6,065.74)	Additional costs or credits booked to project after report date
	N1E07424	Sander son 24-Pole Replacement	\$ 2,922,482.00	\$ 2,922,482.00	\$ -	
	N1E08524	Coachwhip Transmission Line Cut In	\$ 2,943,305.00	\$ 2,943,305.08	\$ (0.08)	
March-25						
	51E02724	Heightsbreaker Upgrade	\$ 3,573,239.00	\$ 3,573,239.46	\$ (0.46)	
	N1E08624	Hico to Fredell	\$ 1,484,464.00	\$ 1,484,465.88	\$ (0.42)	
	NTT08804	Olsen to Valley Mills	\$ 7,456,159.00	\$ 7,456,158.71	\$ 0.27	
	NTT02774	Hico Substation	\$ 7,577,649.00	\$ 7,577,648.97	\$ 0.03	
	N1E09624	Whimsey Substation Rebuild	\$ 7,348,698.00	\$ 7,349,610.38	\$ (912.38)	Additional costs or credits booked to project after report date
	N1E07506	Whimsey 1-Line Determination	\$ 666,355.00	\$ 666,355.21	\$ (0.21)	
	NTT04704	Longmire Line Terminal Addition	\$ 7,331,508.00	\$ 7,331,508.46	\$ (0.46)	
	NTT08904	Longmire to Hwy 179 near Cut In	\$ 705,785.00	\$ 705,784.80	\$ 0.20	
	N1E08608	BLACK JACK TRANSN LN AND CUT IN	\$ 4,451,110.00	\$ 4,451,109.62	\$ 0.38	
April-25						
	NTT03174	Windblown Substation	\$ 15,087,780.00	\$ 15,264,041.39	\$ (176,261.39)	Additional costs or credits booked to project after report date
	N1E02724	Larbus Upgrade 12	\$ 3,096,035.00	\$ 3,096,035.08	\$ (0.08)	
	N1E04224	Cottonwood Line Terminal	\$ 1,824,038.00	\$ 1,824,035.52	\$ 2.48	
	NTT08704	League City to Dickinson Recirculator	\$ 1,306,518.00	\$ 1,306,518.25	\$ (0.25)	
May-25						
	-	-	-	-	-	-
June-25						
	-	-	-	-	-	-

[1] Additional costs or credits booked to project after report date

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Update Period 1/01/2025 - 6/30/2025							
Account No.	Description	Reference Schedule Workpaper	Balance as of last TCOS per Docket 57578 (1)	Depreciation Expense in period 1/01/2025 - 6/30/2025 (2)	Retirements/Adjustments in period 1/01/2025 - 6/30/2025 (3)	FERC 898 Compliance Adjustment in period 1/01/2025 - 6/30/2025 (4)	Balance end of period 1/01/2025 - 6/30/2025 (5) = (1) + (2) + (3) + (4)
Accumulated Depreciation							
Transmission Plant							
A350.0	Land	WP Schedule B-5.1	(97,397)	-	-	-	(97,397)
A350.1	Land Rights	WP Schedule B-5.1	(5,759,570)	(64,865)	-	-	(5,824,435)
A351.1	Computer Hardware	WP Schedule B-5.1	-	(13,416)	-	(24,247)	(37,663)
A351.2	Computer Software	WP Schedule B-5.1	-	-	-	-	-
A351.3	Communication Equipment	WP Schedule B-5.1	-	(12,157)	-	(327,066)	(339,223)
A352	Structures and Improvements	WP Schedule B-5.1	(3,461,873)	(593,732)	4,380	-	(4,051,225)
A353	Station Equipment	WP Schedule B-5.1	(50,095,543)	(4,763,355)	582,036	-	(54,276,862)
A354	Towers and Fixtures	WP Schedule B-5.1	(3,792,442)	(129,295)	19,107	-	(3,902,630)
A355	Poles and Fixtures	WP Schedule B-5.1	(85,330,827)	(11,412,108)	1,285,317	-	(95,457,617)
A356	O.H. Conductors & Devices	WP Schedule B-5.1	(34,850,470)	(4,284,400)	716,885	-	(38,417,985)
A357	Underground Conduit	WP Schedule B-5.1	-	-	-	-	-
A358	Underground Conductors	WP Schedule B-5.1	-	-	-	-	-
A359	Roads and Trails	WP Schedule B-5.1	(24,745)	(5,545)	-	-	(30,290)
A360	Distribution above 60 kv	WP Schedule B-5.1	-	-	-	-	-
A361	Distribution above 60 kv	WP Schedule B-5.1	-	-	-	-	-
A362	Distribution above 60 kv	WP Schedule B-5.1	(35,850,985)	(4,479,679)	1,409,961	-	(38,920,703)
TOTAL		Schedule-B	(219,263,851)	(25,758,552)	4,017,686	(351,313)	(241,356,031)

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Accumulated Depreciation Roll-forward
Update Period 1/01/2025 - 6/30/2025

		Beginning Balance										Ending Balance
		1/01/2025	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/Gain	FERC 898	Compliance Adjustment		6/30/2025
A350.0	Land	97,397	-	-	-	-	-	-	-	-	-	97,397
A350.1	Land Rights	5,759,570	64,865	-	-	-	-	-	-	-	-	5,824,435
A351.1	Computer Hardware	-	13,416	-	-	-	-	-	-	24,247	-	37,663
A351.2	Computer Software	-	-	-	-	-	-	-	-	-	-	-
A351.3	Communication Equipment	-	12,157	-	-	-	-	-	-	327,066	-	339,223
A352	Structures and Improvements	3,461,873	593,732	(4,297)	(83)	-	-	-	-	-	-	4,051,225
A353	Station Equipment	50,095,543	4,763,355	(540,617)	(55,440)	-	14,020	-	-	-	-	54,276,862
A354	Towers and Fixtures	3,792,441	129,295	(19,107)	-	-	-	-	-	-	-	3,902,630
A355	Poles and Fixtures	85,330,826	11,412,108	(308,075)	(977,243)	-	-	-	-	-	-	95,457,617
A356	O.H. Conductors & Devices	34,850,470	4,284,400	(264,409)	(452,475)	-	-	-	-	-	-	38,417,986
A357	Underground Conduit	-	-	-	-	-	-	-	-	-	-	-
A358	Underground Conductors	-	-	-	-	-	-	-	-	-	-	-
A359	Roads and Trails	24,745	5,545	-	-	-	-	-	-	-	-	30,290
A360	Distribution above 60 kv	-	-	-	-	-	-	-	-	-	-	-
A361	Distribution above 60 kv	-	-	-	-	-	-	-	-	-	-	-
A362	Distribution above 60 kv	35,850,984	4,479,679	(1,866,256)	456,296	-	-	-	-	-	-	38,920,703
A363	Distribution above 60 kv	-	-	-	-	-	-	-	-	-	-	-
		219,263,850	25,758,552	(3,002,761)	(1,028,945)	-	14,020	-	-	351,313	-	241,356,030

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Change in Depreciation Expense Update Period 1/01/2025 - 6/30/2025							
Account No.	Description	Reference Schedule Workpaper	Depreciation Expense as of last Rate Case per Docket 57578 (1)	Gross Plant Balance end of update period (Schedule B-1, Column 9) (2)	Depreciation % used in last Rate Case (3)	Depreciation Expense on Balance (4) = (2) * (3)	Increase in Depreciation Expense (5) = (4) - (1)
Depreciation Expense							
Transmission Plant							
A350.0	Land		-	9,151,314	0.00%	-	-
A350.1	Land Rights		125,607	40,185,260	0.82%	329,519	203,912
A351.1	Computer Hardware		-	300,547	12.50%	37,568	37,568
A351.2	Computer Software		-	-	10.00%	-	-
A351.3	Communication Equipment		-	1,604,272	12.50%	200,534	200,534
A352	Structures and Improvements		1,186,498	65,054,915	2.00%	1,301,098	114,601
A353	Station Equipment		9,289,711	370,736,740	2.63%	9,750,376	460,665
A354	Towers and Fixtures		258,590	11,952,667	2.16%	258,178	(413)
A355	Poles and Fixtures		22,524,311	525,256,336	4.57%	24,004,215	1,479,903
A356	O.H. Conductors & Devices		8,504,429	222,086,627	4.04%	8,972,300	467,871
A357	Underground Conduit		-	-	0.00%	-	-
A358	Underground Conductors		-	-	0.00%	-	-
A359	Roads and Trails		-	554,493	0.00%	-	-
A360	Distribution above 60 kv		-	-	1.39%	-	-
A361	Distribution above 60 kv		-	-	1.90%	-	-
A362	Distribution above 60 kv		8,942,984	336,330,957	2.78%	9,350,001	407,016
	Total		50,832,131	1,583,214,128		54,203,788	3,371,658
Allocated Plant Accounts							
A303	Intangible Plant	Docket 48401	1,335,142			1,335,142	-
A389.1 - A399	General Plant	Docket 48401	586,668			586,668	-
	Total		1,921,810	-		1,921,810	
	TOTAL	Schedule-A	52,753,941	1,583,214,128		56,125,599	3,371,658

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Taxes Other Than Federal Income Taxes Update Period 1/01/2025 - 6/30/2025					
Line No.	Description	Reference Schedule Workpaper	Amount Approved per Docket 57578 (1)	Interim Annual Increase (2)	Federal Income Taxes Balance at 6/30/2025 (3) = (1) + (2)
1	<u>Taxes Other Than Income Taxes</u>				
2	Non-Revenue Related				
3	Payroll Taxes	Docket 48401	169,588	-	169,588
4	Ad Valorem Taxes	WP Schedule E-2.1	12,156,000	956,081	13,112,081
5					
6	Revenue Related Taxes				
7	Gross Receipts Tax	Docket 48401	(1,698)	-	(1,698)
8	Sales and Use Tax	Docket 48401	-	-	-
9	Texas Gross Margin Tax	WP Schedule E-2.2	893,635	60,893	954,528
10					
11	TOTAL		13,217,526	1,016,974	14,234,500

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Ad Valorem Taxes
 Update Period 1/01/2025 - 6/30/2025

Line
No.

1	<u>Ad Valorem Taxes</u>		
2	TCOS Ad Valorem Taxes, Docket No. 57578	12,156,000	
3			
4	Total Ad Valorem Taxes, Twelve Months Ended 6/30/2025	29,086,442	WP/Sched E-2.1.1
5			
6	TCOS Direct Assigned Net Plant at 6/30/2025	1,341,858,097	Schedule B
7	Total Direct Assigned Net Plant at 6/30/2025	2,976,634,801	WP/Sched E-2.1.2
8	TCOS Net Plant Factor at 6/30/2025	45.08%	
9			
10	Ad Valorem Taxes Functionalized to Transmission Function, 6/30/2025	13,112,081	
11			
12	Change in Ad Valorem Expense	<u>956,081</u>	

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Ad Valorem Taxes by Month
 Update Period 1/01/2025 - 6/30/2025

Line
 No.

1	Account Description	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Total
2	408111 - Taxes - Ad Valorem	2,307,373	2,307,373	2,307,373	2,307,373	2,307,373	2,448,574	2,544,835	2,544,826	2,544,835	2,544,835	2,544,835	2,376,835	29,086,442

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Total Direct Assigned Net Plant
 Update Period 1/01/2025 - 6/30/2025

Note: TNMP's 6/30/2025 Balance Sheet, showing TNMP's net plant balance at 6/30/2025, will be provided after the filing of TNMP's 2025 Form 10-Q.

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Texas Gross Margin Tax
 Update Period 1/01/2025 - 6/30/2025

Line
No.

1	Total TCOS Revenue Requirement	187,335,996	Schedule A
2	Intercompany allocation	2.947%	Docket No. 57491
3	Less: Intra-Company TCOS Revenue	5,521,054	
4	Total TCOS Revenue for TX Gross Margin Tax	181,814,942	
5	Taxable Revenue Percentage	70.00%	
6	Total TCOS Taxable Revenue	127,270,459	
7	Texas Gross Margin Tax Rate for 2025	0.750%	
8	Gross Margin Tax Amount	954,528	Schedule E-2

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Federal Income Tax Update Period 1/01/2025 - 6/30/2025					
Line No.	Description	Reference Schedule Workpaper	Amount Approved per Docket 57578 (1)	Interim Annual Increase (2)	Federal Income Taxes at 6/30/2025 (3) = (1) + (2)
1	Federal Income Taxes				
2					
3	Return on Rate Base	Schedule-B	92,899,889	6,896,436	99,796,325
4					
5	Deductions:				
6	Synchronized Interest	WP Schedule E-3.1	(41,769,627)	(3,100,774)	(44,870,402)
7	ITC Amortization	Docket 48401	-	-	-
8	Amortization of Protected Excess DFIT	Docket 48401	(1,153,969)	-	(1,153,969)
9	AFUDC Equity	Docket 48401	(334,674)	-	(334,674)
10	Amortization of Unprotected Excess DFIT	Docket 48401	(2,344,516)	-	(2,344,516)
11	Subtotal		(45,602,787)	(3,100,774)	(48,703,561)
12					
13	Additions:				
14	Depreciation Adjustment	Docket 48401	48,333	-	48,333
15	Meals and Entertainment	Docket 48401	21,600	-	21,600
16	Fines and Penalties	Docket 48401	-	-	-
17	Subtotal		69,933	-	69,933
18					
19	Taxable Component of Return		47,367,035	3,795,662	51,162,697
20	Tax Factor		26.58%	26.58%	26.58%
21					
22	Federal Income Taxes Before Adjust.		12,591,237	1,008,973	13,600,211
23					
24	Tax Credits				
25	ITC Amortization	Docket 48401	-	-	-
26	Amortization of Protected Excess DFIT	Docket 48401	(1,153,969)	-	(1,153,969)
27	Amortization of Unprotected Excess DFIT	Docket 48401	(2,344,516)	-	(2,344,516)
28	Subtotal		(3,498,486)	-	(3,498,486)
29					
30	TOTAL FEDERAL INCOME TAXES		9,092,751	1,008,973	10,101,725

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Federal Income Tax - Synchronized Interest
 Update Period 1/01/2025 - 6/30/2025

Line
No.

1	<u>Federal Income Tax - Synchronized Interest</u>		
2			
3	Increase In Rate Base	Schedule-B	87,407,303
4			
5	Weighted Cost of Debt	WP Schedule E-3.2	3.55%
6			
7	Incremental Synchronized Interest		3,100,774

PUBLIC UTILITY COMMISSION OF TEXAS TEXAS-NEW MEXICO POWER COMPANY II-C-2.1 WEIGHTED AVERAGE COST OF CAPITAL - AMENDED FOR THE TEST YEAR ENDING 12/31/2017 DOCKET NO. 48401											
Line No.	Reference Schedule	1 Balance	2 Proforma Adjustments	3 Proforma Balance	4 Percent of Total	5 Cost	6 Weighted Cost	7 Pro Forma Percent of Total	8 Cost	9 Pro Forma Weighted Cost	
1	Common Equity	II-C-2.1	634,404,598	(226,664,902)	407,739,696	47.66%	9.65%	4.60%	45.00%	9.65%	4.34%
2	Preferred Stock	II-C-2.2	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Preferred Trust Securities	II-C-2.3	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Long-Term Debt	II-C-2.4	447,812,107	-	447,812,107	52.34%	6.45%	3.38%	55.00%	6.45%	3.55%
5	Short-Term Debt	II-C-2.5	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6											
7	Total		1,082,216,705		855,551,803	100.00%	7.98%	100.00%		7.8900%	

P.U.C. DOCKET NO. 58443

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF
TEXAS-NEW MEXICO POWER COMPANY
FOR INTERIM UPDATE OF
WHOLESALE TRANSMISSION RATES
PURSUANT TO 16 TEX. ADMIN. CODE § 25.192(h)(1)

PREPARED DIRECT TESTIMONY AND EXHIBITS
OF
RANDALL V. HACKBARTH

ON BEHALF OF
TEXAS-NEW MEXICO POWER COMPANY

JULY 24, 2025

TABLE OF CONTENTS

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EXHIBIT RVH-1

RESUME OF RANDALL V. HACKBARTH

EXHIBIT RVH-2

DEVELOPMENT OF THE INTERIM WHOLESALE TRANSMISSION SERVICE RATE

EXHIBIT RVH-3

DOCKET NO. 57578 – RATE FILING SCHEDULES

EXHIBIT RVH-4

WHOLESALE RATE TARIFF – ANNOTATED

EXHIBIT RVH-5

WHOLESALE RATE TARIFF – CLEAN

1 **I. INTRODUCTION AND QUALIFICATIONS**

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

4 A. My name is Randall V. HackbARTH. I am a Project Manager of Cost of Service for PNMR
5 Services Company ("PNMR Services"), on behalf of Texas-New Mexico Power Company
6 ("TNMP" or "Company"). PNMR Services provides various back-office services to the
7 regulated subsidiaries of TXNM Energy Inc. ("TXNM Energy"), TNMP, and Public Service
8 Company of New Mexico ("PNM"). My address is 414 Silver Avenue SW, Albuquerque,
9 New Mexico 87102.

10 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS PROJECT MANAGER OF COST**
11 **OF SERVICE.**

12 A. Specifically, my responsibilities relate to Cost of Service as I am responsible for revenue
13 requirement-related work for each of the TXNM Energy regulated subsidiaries (ie. TNMP
14 and PNM). This responsibility includes preparation of revenue requirement analyses and
15 supporting testimony for the respective regulatory filings of each utility.

16 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

17 A. I am testifying on behalf of TNMP.

18 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL**
19 **EXPERIENCE.**

20 A. My educational background and professional experience are summarized in Exhibit RVH-
21 1, which includes a list of cases in which I have testified.

22 **Q. HAVE YOU PREPARED ANY EXHIBITS?**

23 A. Yes. I am sponsoring Exhibits RVH-1 – RVH-5, which are attached to my testimony. These
24 exhibits were prepared under my direction and control. The information contained in these
25 exhibits is true and correct to the best of my knowledge and belief.

26 **II. PURPOSE OF TESTIMONY**

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

28 A. The purpose of my testimony is to support the update to wholesale transmission rates for
29 TNMP pursuant to 16 Tex. Admin. Code § 25.192(g) (TAC). I sponsor the Company's
30 schedules and workpapers required by General Instruction No. 2 of the Interim TCOS
31 Filing Package.

1 **III. DESCRIPTION OF TNMP'S INTERIM TCOS FILING**

2 **Q. PLEASE SUMMARIZE TNMP'S INTERIM TCOS FILING.**

3 A. TNMP's interim TCOS filing reflects the additions to, and retirements and transfers from,
4 transmission facilities to TNMP's rate base from the end of TNMP's test year in Docket
5 No. 57578¹ (December 31, 2024) through June 30, 2025. As required by the Interim TCOS
6 Filing Package, TNMP has included the schedules that provide the increases in rate base
7 and return on rate base; increases in depreciation expense; increases in taxes other than
8 income taxes; and increases in income taxes associated with the increase in return on
9 rate base. The increase in return on total transmission rate base in this interim filing is
10 \$6,896,436 as shown on Schedule B. The increase in total transmission revenue
11 requirement is \$12,294,042 as shown on Schedule A. The annual wholesale transmission
12 service rate increases from \$2.159874/kW to \$2.311573/kW. See Exhibit RVH-2 for the
13 development of the interim wholesale transmission service rates.

14 **Q. HAS TNMP LISTED AND DESCRIBED THE TRANSMISSION FACILITY ADDITIONS**
15 **AND RETIREMENTS INCLUDED IN ITS INTERIM TCOS UPDATE?**

16 A. Yes. A listing and description of transmission projects closed to plant-in-service from
17 January 1, 2025, through June 30, 2025 is included in WP/Schedule B-1.2 and
18 WP/Schedule B-1.3.

19 **Q. HAS TNMP INCLUDED IN THIS FILING A COPY OF THE TCOS SCHEDULES**
20 **APPROVED IN ITS LAST TCOS PROCEEDING?**

21 A. Yes, TNMP has included a copy of the TCOS Schedules Approved in Docket No. 57578
22 in Exhibit RVH-3. That exhibit contains the approved transmission revenue requirement,
23 the approved transmission rate, and the approved net transmission plant-in-service. The
24 amounts in column (1) of Schedule A and Schedule B of this filing are the amounts from
25 Docket No. 57578 and are also provided in Exhibit RVH-3.

26 **IV. DIFFERENCES BETWEEN THE INTERIM TCOS FILING PACKAGE AND 16**
27 **TAC § 25.192(g)**

28 **Q. DOES THE INTERIM TCOS FILING PACKAGE INSTRUCTIONS DIFFER FROM 16**
29 **TAC § 25.192(G)?**

30 A. Yes, there are three differences. The Interim TCOS Filing Package does not make
31 allowances for changes in income taxes and for changes in other taxes as a result of

¹ Application of Texas-New Mexico Power Company for Interim Update of Wholesale Transmission Rates Pursuant to Substantive Rule 25.192(h), Docket No. 57578 (March 25, 2025).

changes in rate base additions. 16 TAC § 25.192(g) allows for these adjustments. Also, Schedule E-1 of the Interim TCOS Filing Package determines depreciation expense by using net utility plant instead of gross utility plant. In order to correctly determine depreciation expense, Schedule E-1 was modified in this filing to correctly use gross utility plant in determining depreciation expense. These changes have been accepted by the PUCT in previous proceedings (Docket Nos. 29425, 30802, 32462, 33904, 38012, 40674, 41176, 41727, 42181, 42691, 44340, 44953, 45559, 46184, 46786, 49785, 50481, 51107, 51752, 52347, 53146, 53856, 54588, 55270, 56155, 56860, and 57578).

V. TNMP COSTS INCLUDED IN TCOS INTERIM UPDATE

Q. WHAT RETURN RATE DID TNMP USE IN THE INTERIM TCOS UPDATE?

A. TNMP used the weighted cost of capital approved in *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401.² This 7.8900% after tax rate is shown on Schedule B. Schedule E-3.2 provides the calculation for the weighted cost of capital.

Q. HAS TNMP INCLUDED TRANSMISSION UTILITY PLANT RETIREMENTS AND ADJUSTMENTS IN QUANTIFYING NET PLANT ADDITIONS?

A. Yes. Retirements, adjustments, and adjustments related to FERC Order No. 898 are included in Schedule B-1 and are also reflected in Schedule E-1 for determining the depreciation expense update.

Q. PLEASE SUMMARIZE THE FEDERAL ENERGY REGULATORY COMMISSION (FERC) ORDER NO. 898.

A. FERC Order No. 898 is a final ruling issued on June 29, 2023, with an effective date of January 1, 2025, by FERC to amend the Uniform System of Accounts for public utilities to: create new accounts for wind, solar, and other renewable generating assets; and to create new accounts within existing functions for computer hardware, software, and communication equipment.

Q. IS TNMP COMPLYING WITH FERC ORDER NO. 898?

A. Yes.

Q. HOW DOES THE FERC ORDER NO. 898 IMPACT THE TCOS INTERIM UPDATE?

A. FERC Order No. 898 created three new accounts for transmission function related computer hardware (FERC 351.1), software (FERC 353.2), and communication

² *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401 (December 20, 2018).

1 equipment (FERC 353.3). These new accounts are reflected in Schedules B-1, B-1.1, B-
2 5, B-5.1 and E-1.

3 **Q. HAS TNMP INCLUDED ANY AFFILIATE COSTS IN PLANT ADDITIONS REFLECTED**
4 **IN SCHEDULE B-1? PLEASE EXPLAIN.**

5 A. Yes, affiliate costs associated with services provided by PNMR Services are included in
6 capital costs. These affiliate costs include shared services such as procurement, human
7 resources, administrative, and information technology.

8 **Q. HOW ARE THE PNMR SERVICES' COSTS BILLED TO TNMP?**

9 A. As was the case in Docket No. 57578, these costs are either billed directly to TNMP for
10 specific transmission construction activities or are transmission overheads that are
11 allocated. Level of transmission construction activity is the predominant allocation factor
12 utilized to bill the transmission overheads. These transmission overheads are then cleared
13 to open construction projects based on a percentage of total charges. WP/Schedule B-1.1
14 1 and WP/Schedule B-1.1 2 provide the calculation for affiliate costs included in the plant
15 additions reflected in Schedule B-1.

16 **Q. PLEASE EXPLAIN WHY INCOME TAXES INCREASE AS A RESULT OF UPDATING**
17 **THE INTERIM TCOS.**

18 A. The income tax expense increase results from the increase in transmission plant (rate
19 base). The increased rate base provides for an increase in the return on rate base, which
20 increases TNMP's income tax liability. Related to the increase in rate base is the
21 adjustment to interest synchronization in the income tax calculation. The interest
22 synchronization provides the proper tax deduction for interest expense by determining
23 how much interest expense is required to support the rate base. This is calculated by
24 multiplying the rate base by the weighted cost of debt. WP/Schedule E-3.1 provides the
25 calculation for interest synchronization. All other components of the income tax calculation
26 remain unchanged since no other components of rate base change on Schedule B. The
27 Company has determined an incremental increase to income taxes of \$1,008,973 as
28 reflected in Schedule E-3.

29 **Q. PLEASE EXPLAIN WHY TAXES OTHER THAN INCOME TAXES INCREASE AS A**
30 **RESULT OF UPDATING THE INTERIM TCOS.**

31 A. The increase in transmission assets results in an increase in ad valorem taxes and
32 correspondingly, the increase in transmission assets results in increased revenue
33 requirement, which generates an additional liability for the Texas gross margin tax. The

Company has determined an incremental increase to ad valorem taxes and Texas gross margin tax of \$1,016,974 as reflected in Schedule E-2.

Q. HOW DOES TNMP CALCULATE THE INCREASE IN PROPERTY TAXES IN THE TCOS INTERIM UPDATE?

A. The property tax attributable to TCOS investment was calculated by functionalizing TNMP's property tax for the twelve months ended using a net plant factor. WP/Schedule E-2.1 shows TNMP's property tax assigned to the TCOS function in Docket No. 57578 and the calculation of property tax assigned to the TCOS function for the twelve months ended June 30, 2025. The result is an increase of \$956,081 in annual property tax expense, as shown in column (2) of Schedule E-2.

Q. PLEASE EXPLAIN HOW TNMP DETERMINES THE ADJUSTMENT FOR THE TEXAS GROSS MARGIN TAX.

A. This tax is calculated by determining the amount of taxable revenue applicable to the Texas gross margin tax and multiplying this amount by 0.75%, which results in the gross margin tax as shown on WP/Schedule E-2.2. WP/Schedule E-2 shows TNMP's Texas gross margin tax as calculated in Docket No. 57578 and the amount calculated on WP/Schedule E-2.2. The result is an increase of \$60,893 in annual Texas gross margin tax expense, as shown in column (2) of Schedule E-2.

Q. PLEASE EXPLAIN THE UPDATE TO DEPRECIATION EXPENSE IN THIS FILING.

A. The increase to depreciation expense results from the incremental increase in gross transmission utility plant as determined in Schedule B and utilized in Schedule E-1 in calculating the depreciation expense. The depreciation rates used in Schedule E-1 were approved in *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401³. These rates are applied to the gross plant balance at June 30, 2025 to determine the depreciation expense requested in this filing. The Company has determined the incremental depreciation expense to be \$3,371,658 as shown on Schedule E-1.

Q. PLEASE EXPLAIN THE QUANTIFICATION OF ACCUMULATED DEPRECIATION AS SHOWN ON SCHEDULE B-5.

A. The incremental increase in accumulated depreciation was determined by calculating the difference in the accumulated depreciation approved in Docket No. 57578 and the

³ *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401 (December 20, 2018)

adjusted accumulated depreciation at June 30, 2025 as shown in Schedule B-5 and supporting WP/Schedule B-5.1.

Q. HAS THE COMPANY ADJUSTED THE ACCUMULATED DEPRECIATION SHOWN ON SCHEDULE B-5 FOR RETIREMENTS, COST OF REMOVAL, AND TRANSFERS?

A. Yes. WP/Schedule B-5.1 shows adjustments, retirements, and transfers made for the period of January 1, 2025 through June 30, 2025.

Q. PURSUANT TO TCOS FILING PACKAGE INSTRUCTIONS FOR SCHEDULE B-1, HAS THE COMPANY COMPARED PROJECT COSTS IN THIS FILING WITH THE COMMISSION'S MONTHLY CONSTRUCTION REPORT?

A. Yes. WP/Schedule B-1.4 provides the listing of the projects that are in service and included in this filing along with a brief explanation of the differences in the estimated project cost from the monthly construction report and the amount per books. Some of the projects may continue to receive additional costs related to outstanding invoices that will be included in the next filing.

Q. HOW DID TNMP DETERMINE ITS PROPOSED WHOLESALE NETWORK TRANSMISSION SERVICE RATE?

A. The Company's updated network transmission service rate is determined by dividing the updated June 30, 2025 interim transmission revenue requirement amount of \$187,335,996 as calculated on Schedule A, by the 2024 ERCOT Average 4CP of 81,042,656.56 kW, as provided by 16 TAC § 25.192(h)(1). The load figure is consistent with ERCOT's 4CP load to be approved in *Commission Staff's Application to Set 2025 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 57491⁴. See Exhibit RVH-2 for the development of the transmission rates. I have included an annotated (Exhibit RVH-4) and clean copy (Exhibit RVH-5) of the updated wholesale rate tariff.

VI. CONCLUSION

Q. WHAT ACTION DO YOU PROPOSE THAT THE COMMISSION TAKE IN THIS PROCEEDING?

A. TNMP is requesting the Commission approve TNMP's interim TCOS adjustment and allow for billings to begin 35 days after the filing of this application.

⁴ *Commission Staff's Application to Set 2025 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 57491 (June 5, 2025).

- 1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?
- 2 A. Yes, it does.

AFFIDAVIT

STATE OF NEW MEXICO §
 §
COUNTY OF BERNALILLO §

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

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

Randall Hackbarth
Witness

* * * * *

SWORN TO AND SUBSCRIBED before me, Notary Public, on this 23 day of July 2025, to certify which witness my hand and seal of office.



STATE OF NEW MEXICO
NOTARY PUBLIC
Donna S. Holliday
Commission No. 1079751
Expires: January 24, 2028

Donna S. Holliday
NOTARY PUBLIC in and for the
State of New Mexico

Printed Name: Donna S. Holliday

My Commission expires: 1/24/28

Notary ID#: 1079751

RANDALL V. HACKBARTH
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Randall V. Hackbarth

Address: TXNM Energy Inc.
MS 0915
414 Silver SW
Albuquerque, NM 87102

Position: Project Manager, Cost of Service

Education: Master of Business Administration, University of New Mexico 2020
Bachelor of Accountancy, New Mexico State University 2016

Employment: Employed by PNMR Services Company since 2020.
Positions held within the Company include:

Project Manager, Cost of Service
Sr. Analyst, Cost of Service
Accountant II, Utility Accounting
Accountant I, Division Accounting

Filed Testimony:

- Application of Texas-New Mexico Power Company to Amend Its Transmission Cost Recovery Factor, Docket No. 57578, filed January 24, 2025 (*INMP TCOS update.*)

Texas-New Mexico Power Company

Development of Interim Wholesale Transmission Service Rate:

Wholesale Transmission Cost-of-Service	\$187,335,996
2024 ERCOT Average 4CPs	<u>81,042,656.6 kW</u>
Annual Wholesale Transmission Service Rate	<u><u>\$2.311573</u></u> per kW

Development of Wholesale Interim Transmission Service Rate for Exports from ERCOT:

Hourly rate per kW - 1/8760 of annual rate	\$0.000264 per kW
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2024 Four Coincident Peak Load Calculation (MW)

[illegible]

*Note: *GA* = Georgia; *IL* = Illinois; *TX* = Texas; *CA* = California; *NY* = New York; *MD* = Maryland; *PA* = Pennsylvania; *OH* = Ohio; *WV* = West Virginia; *NC* = North Carolina; *SC* = South Carolina; *LA* = Louisiana; *MS* = Mississippi; *AL* = Alabama; *GA* = Georgia; *FL* = Florida.

* $\partial_{\mu} \psi = \partial_{\mu} \psi - i g A_{\mu} \psi$; $\partial_{\mu} \bar{\psi} = \partial_{\mu} \bar{\psi} + i g A_{\mu} \bar{\psi}$; $\partial_{\mu} \psi = \partial_{\mu} \psi - i g A_{\mu} \psi$; $\partial_{\mu} \bar{\psi} = \partial_{\mu} \bar{\psi} + i g A_{\mu} \bar{\psi}$

Schedule A (Interim): Summary of Interim Wholesale Transmission Cost of Service

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Update Period 7/01/2024 - 12/31/2024				
Description	Total Approved per Docket 56860 (1)	Interim Annual Increase (2)	Interim Revenue Requirement (3) = (1) + (2)	Reference Schedule
Operation & Maintenance	7,064,252	N/A	7,064,252	Docket 48401
Depreciation and Amortization	49,344,283	3,409,658	52,753,941	E-1
Taxes Other Than Income Taxes	12,683,264	534,262	13,217,526	E-2
Federal Income Tax	8,128,309	964,443	9,092,751	E-3
Return on Rate Base	86,307,825	6,592,064	92,899,889	B
Total Revenue Requirement	163,527,933	11,500,427	175,028,360	
Other Expenses	280,227	N/A	280,227	Docket 48401
Other Revenues	(266,633)	N/A	(266,633)	Docket 48401
Total	163,541,527	11,500,427	175,041,954	
ERCOT AVERAGE 4 CP-in kW	83,685,241.4		81,042,656.6	
Wholesale Rate \$/kW	\$ 1.954246		\$ 2.159874	

Schedule B (Interim): Summary of Interim Wholesale Transmission Rate Base

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Update Period 7/01/2024 - 12/31/2024				
Description	Total Approved per Docket 56860 (1)	Balance as of end of update period (2)	Increase in Rate Base & Return (3) = (2) - (1)	Reference Schedules
Direct Assigned:				
FERC Accounts-(350-62)				
Original Plant In Service	1,371,659,441	1,473,714,645	102,055,204	B-1
(Accumulated Depreciation)	(200,758,257)	(219,263,851)	(18,505,594)	B-5
Net Plant In Service	1,170,901,183	1,254,450,794	83,549,611	
Allocated Plant Accounts- Net	13,985,191	13,985,191	N/A	Docket 48401
CWIP	272,256	272,256	N/A	Docket 48401
Working Capital	(1,008,576)	(1,008,576)	N/A	Docket 48401
Plant Held for Future Use	-	-	N/A	Docket 48401
Reserve for Insurance	-	-	N/A	Docket 48401
Other	(90,261,271)	(90,261,271)	N/A	Docket 48401
Total Rate Base	1,093,888,783	1,177,438,393	83,549,611	
Rate of Return	7.8900%	7.8900%	7.8900%	Docket 48401
Return on Rate Base	86,307,825	92,899,889	6,592,064	

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Update Period 7/01/2024 - 12/31/2024							
Account No.	Description	Reference Schedule Workpaper	Balance as of last TCOS per Docket 56860 (1)	Non-Affiliate Additions in period 7/01/2024 - 12/31/2024 (2)	Retirements/Adjustments in period 7/01/2024 - 12/31/2024 (3)	Affiliate Cost Additions in period 7/01/2024 - 12/31/2024 (4)	Balance end of period 7/01/2024 - 12/31/2024 (5) = (1) +...+(4)
Transmission Plant-Gross							
A350.0	Land	WP/ Schedule B-1.1	6,475,316	1,714,096	-	66,066	8,255,478
A350.1	Land Rights	WP/ Schedule B-1.1	14,925,767	377,664	-	14,556	15,317,987
A352	Structures and Improvements	WP/ Schedule B-1.1	54,359,546	4,781,059	-	184,275	59,324,880
A353	Station Equipment	WP/ Schedule B-1.1	339,560,830	13,402,027	(258,448)	516,550	353,220,959
A354	Towers and Fixtures	WP/ Schedule B-1.1	11,971,774	-	-	-	11,971,774
A355	Poles and Fixtures	WP/ Schedule B-1.1	461,908,216	30,328,912	(532,752)	1,168,956	492,873,332
A356	O.H. Conductors & Devices	WP/ Schedule B-1.1	199,838,866	10,405,536	(139,803)	401,057	210,505,657
A357	Underground Conduit	WP/ Schedule B-1.1	-	-	-	-	-
A358	Underground Conductors	WP/ Schedule B-1.1	-	-	-	-	-
A359	Roads and Trails	WP/ Schedule B-1.1	563,202	(8,386)	-	(323)	554,493
A360	Distribution above 60 kv	WP/ Schedule B-1.1	-	-	-	-	-
A361	Distribution above 60 kv	WP/ Schedule B-1.1	-	-	-	-	-
A362	Distribution above 60 kv	WP/ Schedule B-1.1	282,055,923	40,803,835	(2,742,359)	1,572,688	321,690,086
TOTAL TRANSMISSION PLANT IN SERVICE-GROSS			1,371,659,441	101,804,743	(3,673,362)	3,923,824	1,473,714,645

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Affiliate Costs
Update Period 7/01/2024 - 12/31/2024

Account No.	Description	Reference Schedule Workpaper	Total Gross Plant Additions in period 7/01/2024 - 12/31/2024 (1)	Non-Affiliate Additions in period 7/01/2024 - 12/31/2024 (2)	Affiliate Cost - Additions in period 7/01/2024 - 12/31/2024 (3)
Transmission Plant-Gross					
A350.0	Land	Schedule B-1	1,780,162	1,714,096	66,066
A350.1	Land Rights	Schedule B-1	392,220	377,664	14,556
A352	Structures and Improvements	Schedule B-1	4,965,334	4,781,059	184,275
A353	Station Equipment	Schedule B-1	13,918,577	13,402,027	516,550
A354	Towers and Fixtures	Schedule B-1	-	-	-
A355	Poles and Fixtures	Schedule B-1	31,497,868	30,328,912	1,168,956
A356	O.H. Conductors & Devices	Schedule B-1	10,806,593	10,405,536	401,057
A357	Underground Conduit	Schedule B-1	-	-	-
A358	Underground Conductors	Schedule B-1	-	-	-
A359	Roads and Trails	Schedule B-1	(8,710)	(8,386)	(323)
A360	Distribution above 60 kv	Schedule B-1	-	-	-
A361	Distribution above 60 kv	Schedule B-1	-	-	-
A362	Distribution above 60 kv	Schedule B-1	42,376,522	40,803,835	1,572,688
TOTAL TRANSMISSION PLANT IN SERVICE-GROSS			105,728,567	101,804,743	3,923,824

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Transmission Capital Spending Summary
Update Period 7/01/2024 - 12/31/2024

Time Period	Reference Schedule Workpaper	Shared Services A&G Loads Applied	Total Direct Transmission Capital Costs	Shared Services A&G Load Rate
7/01/2024 - 12/31/2024	WP Schedule B-1.1 2	3,923,824	101,804,743	3.8543%

INTERLUDE

Interim Wholesale Transmission Cost of Service			
TEXAS-NEW MEXICO POWER COMPANY			
Gross Plant Retirement/Transfers Listing			
Update Period 7/01/2024 - 12/31/2024			
Project #	Project Description/Title	Amount	Retirement Date
Retirements Over \$15,000			
STE02625	Rebuild League City High Side	(1,039,772)	12/1/2024
NTE03524	Hamilton County Rebuild	(725,527)	11/1/2024
TXG02924	Distribution Station Relay Upgrades	(560,254)	12/1/2024
NTE09423	WhiteBaker-NthNatural PoleChangeout	(234,416)	11/1/2024
TXG02124	Power Transformer Asset Mgmt	(218,488)	7/1/2024
TXG02923	TransBrkrAssetMgmt in DistStations	(207,840)	9/1/2024
TXG02224	Distribution Breaker Asset Mgmt	(206,550)	11/1/2024
TXG08023	Cloud Gate in Transm Substations	(143,914)	12/1/2024
STE07224	Rebuild Brazoria to Retrieve 3000A	(97,910)	12/1/2024
NTE02224	Rebuild Hico Substation	(70,387)	12/1/2024
STE02724	Heights Breaker Replacement	(67,228)	12/1/2024
NTE07424	Sanderson Pole Line Heavy Maint	(62,860)	11/1/2024
NTE03124	Kermit #2 4kV BayUpgrade to 12.47kV	(57,300)	12/1/2024
NTE07724	Ranger to Thurber Heavy Line Maint	(53,134)	11/1/2024
SOC07112	SOC Misc Transmission	(49,907)	7/1/2024
NTE07624	Hico-Iredell Heavy Line Maintenance	(44,827)	11/1/2024
NTE08124	Whitewright-Climax Heavy Line Maint	(43,887)	11/1/2024
SOC03618	HISTORICAL SERVERS	(38,566)	12/1/2024
NTE07524	WalnutSpr to GlenRose Hvy LineMaint	(35,246)	11/1/2024
TXG03322	IP Teleprotection Router Upgr Dist	(35,109)	11/1/2024
SOC30512	SOC Building Improvements	(34,117)	12/1/2024
NTE08824	Olsen to VMills 69kV HeavyLineMaint	(25,309)	12/1/2024
SOC02323	Telecom Replace Exalt MW Radios D	(22,546)	11/1/2024
SOC02319	MPLS Network Refresh Dist	(21,403)	7/1/2024
NTE07112	NTE Misc Transmission	(19,729)	11/1/2024
STE07524	Clemons Tap-Clemons Dome Pole Rplmt	(19,303)	12/1/2024
TXG07424	T-Line Clearance Improvements	(19,224)	12/1/2024
STE02012	STE Distribution Substation	(18,344)	11/1/2024
SOC34221	Gulf Coast LMR Replacement	(17,290)	11/1/2024
NTE08410	Rcnd AA Pipeline-MonuDraw Cumb ACSS	(15,620)	8/1/2024
	Subtotal - Retirements Over \$15,000	(4,206,008)	
*	Retirements Under \$15,000, Transfers, Adjustments	532,646	
	TOTAL RETIREMENTS/TRANSFERS/ADJUSTMENTS	(3,673,362)	
* Includes the unretirement of assets from 2022 in funding project NTE02522			

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Transmission Construction Report Reconciliation
Update Period: 7/1/2024 - 12/31/2024

Month	Project #	Project Name	Final Cost Reported on Construction Report	Amount Per Books	Difference	Variance Explanation
Jul-24	NTE04420	Farmersville 2nd Transformer	\$ 8,934,507.59	\$ 8,934,507.59	\$ -	
Aug-24	NTE08410	AA PIPELINE-MONUMENT DRAW 3000A UPGRADE	1,313,125.00	1,313,125.06	(0.06)	
	NTE02623	Thurber Substation	8,174,161.00	8,172,866.30	1,294.70	1
Sep-24	NTE08923	Wink-Windblown Rebuild	9,661,477.83	9,661,477.83	-	
	NTE07824	Graham to Bryson	1,462,554.55	1,487,021.93	(24,467.38)	1
	NTE03324	Jackrabbit T2	6,423,538.77	6,428,269.11	(4,730.34)	1
	NTE02524	Cholla T2	5,939,720.00	5,916,212.78	23,507.22	1
Oct-24	STE07623	FM 524 SUB & CAP BANKS & S LANE	13,463,927.08	13,449,735.38	14,191.70	1
	STE08022	Freeway Park to Dickinson	5,625,424.00	5,625,424.38	(0.38)	
Nov-24	-	-	-	-	-	-
Dec-24	NTE02424	Coyanosa 2nd XFMR	7,103,679.00	7,103,678.57	0.43	

(1) Additional costs or credits booked to project after report date

Interim Wholesale Transmission Cost of Service
 TEXAS-NEW MEXICO POWER COMPANY
 Update Period 7/01/2024 - 12/31/2024

Account No.	Description	Reference Schedule Worksheet	Balance as of last TCOS per Docket 56860 (1)	Depreciation Expense in period 7/01/2024 - 12/31/2024 (2)	Retirements/Adjustments in period 7/01/2024 - 12/31/2024 (3)	Balance end of period 7/01/2024 - 12/31/2024 (4) = (1) + (2) + (3)
Accumulated Depreciation						
Transmission Plant						
A350.0	Land	WP Schedule B-5.1	(97,397)	-	-	(97,397)
A350.1	Land Rights	WP Schedule B-5.1	(5,698,374)	(61,196)	-	(5,759,570)
A352	Structures and Improvements	WP Schedule B-5.1	(2,918,975)	(542,903)	5	(3,461,873)
A353	Station Equipment	WP Schedule B-5.1	(45,804,895)	(4,607,659)	317,012	(50,095,543)
A354	Towers and Fixtures	WP Schedule B-5.1	(3,663,155)	(129,295)	8	(3,792,442)
A355	Poles and Fixtures	WP Schedule B-5.1	(76,423,232)	(10,703,857)	1,796,263	(85,330,827)
A356	O.H. Conductors & Devices	WP Schedule B-5.1	(31,465,446)	(4,076,096)	691,072	(34,850,470)
A357	Underground Conduit	WP Schedule B-5.1	-	-	-	-
A358	Underground Conductors	WP Schedule B-5.1	-	-	-	-
A359	Roads and Trails	WP Schedule B-5.1	(19,186)	(5,559)	-	(24,745)
A360	Distribution above 60 kv	WP Schedule B-5.1	-	-	-	-
A361	Distribution above 60 kv	WP Schedule B-5.1	-	-	-	-
A362	Distribution above 60 kv	WP Schedule B-5.1	(34,667,596)	(3,965,006)	2,781,618	(35,850,985)
	TOTAL	Schedule-B	(200,758,257)	(24,091,571)	5,585,977	(219,263,851)

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Accumulated Depreciation Roll-forward Update Period 7/01/2024 - 12/31/2024									
		Beginning Balance							Ending Balance
		7/01/2024	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss/Gain	12/31/2024
A350.0	Land	97,397	-	-	-	-	-	-	97,397
A350.1	Land Rights	5,698,374	61,196	-	-	-	-	-	5,759,570
A352	Structures and Improvements	2,918,975	542,903	-	(5)	-	-	-	3,461,873
A353	Station Equipment	45,804,895	4,607,659	(258,448)	(58,564)	-	-	-	50,095,542
A354	Towers and Fixtures	3,663,155	129,295	-	(8)	-	-	-	3,792,442
A355	Poles and Fixtures	76,423,232	10,703,857	(532,752)	(1,263,510)	-	-	-	85,330,826
A356	O.H. Conductors & Devices	31,465,446	4,076,096	(139,803)	(551,269)	-	-	-	34,850,470
A357	Underground Conduit	-	-	-	-	-	-	-	-
A358	Underground Conductors	-	-	-	-	-	-	-	-
A359	Roads and Trails	19,186	5,559	-	-	-	-	-	24,745
A360	Distribution above 60 kv	-	-	-	-	-	-	-	-
A361	Distribution above 60 kv	-	-	-	-	-	-	-	-
A362	Distribution above 60 kv	34,667,596	3,965,006	(2,742,359)	(39,259)	-	-	-	35,850,984
A363	Distribution above 60 kv	-	-	-	-	-	-	-	-
		200,758,255	24,091,571	(3,673,362)	(1,912,615)	-	-	-	219,263,849

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Change in Depreciation Expense Update Period 7/01/2024 - 12/31/2024							
Account No.	Description	Reference Schedule Worksheet	Depreciation Expense as of last Rate Case per Docket 56860 (1)	Gross Plant Balance end of update period (Schedule B-1, Column 9) (2)	Depreciation % used in last Rate Case (3)	Depreciation Expense on Balance (4) = (2) * (3)	Increase in Depreciation Expense (5) = (4) - (1)
Depreciation Expense							
Transmission Plant							
A350.0	Land		-	8,255,478	0.00%	-	-
A350.1	Land Rights		122,391	15,317,987	0.82%	125,607	3,216
A352	Structures and Improvements		1,087,191	59,324,880	2.00%	1,186,498	99,307
A353	Station Equipment		8,930,450	353,220,959	2.63%	9,289,711	359,261
A354	Towers and Fixtures		258,590	11,971,774	2.16%	258,590	-
A355	Poles and Fixtures		21,109,205	492,873,332	4.57%	22,524,311	1,415,106
A356	O.H. Conductors & Devices		8,073,490	210,505,657	4.04%	8,504,429	430,938
A357	Underground Conduit		-	-	0.00%	-	-
A358	Underground Conductors		-	-	0.00%	-	-
A359	Roads and Trails		-	554,493	0.00%	-	-
A360	Distribution above 60 kv		-	-	1.39%	-	-
A361	Distribution above 60 kv		-	-	1.90%	-	-
A362	Distribution above 60 kv		7,841,155	321,690,086	2.78%	8,942,984	1,101,830
	Total		47,422,473	1,473,714,645		50,832,131	3,409,658
Allocated Plant Accounts							
A303	Intangible Plant	Docket 48401	1,335,142			1,335,142	-
A389.1 - A399	General Plant	Docket 48401	586,668			586,668	-
	Total		1,921,810	-		1,921,810	
TOTAL		Schedule-A	49,344,283	1,473,714,645		52,753,941	3,409,658

Interim WholesaleTransmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Taxes Other Than Federal Income Taxes Update Period 7/01/2024 - 12/31/2024					
Line No.	Description	Reference Schedule Workpaper	Amount Approved per Docket 56860 (1)	Interim Annual Increase (2)	Federal Income Taxes Balance at 12/31/2024 (3) = (1) + (2)
1	<u>Taxes Other Than Income Taxes</u>				
2	Non-Revenue Related				
3	Payroll Taxes	Docket 48401	169,588	-	169,588
4	Ad Valorem Taxes	WP Schedule E-2.1	11,680,452	475,549	12,156,000
5					
6	Revenue Related Taxes				
7	Gross Receipts Tax	Docket 48401	(1,698)	-	(1,698)
8	Sales and Use Tax	Docket 48401	-	-	-
9	Texas Gross Margin Tax	WP Schedule E-2.2	834,922	58,713	893,635
10					
11	TOTAL		12,683,264	534,262	13,217,526

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Ad Valorem Taxes
Update Period 7/01/2024 - 12/31/2024

Line
No.

1	<u>Ad Valorem Taxes</u>		
2	TCOS Ad Valorem Taxes, Docket No. 56860	11,680,451	
3			
4	Total Ad Valorem Taxes, Twelve Months Ended 12/31/2024	27,825,803	WP/Sched E-2.1.1
5			
6	TCOS Direct Assigned Net Plant at 12/31/2024	1,254,450,794	Schedule B
7	Total Direct Assigned Net Plant at 12/31/2024	2,871,511,993	WP/Sched E-2.1.2
8	TCOS Net Plant Factor at 12/31/2024	43.69%	
9			
10	Ad Valorem Taxes Functionalized to Transmission Function, 12/31/2024	12,156,000	
11			
12	Change in Ad Valorem Expense	<u>475,549</u>	

Interim WholesaleTransmission Cost of Service														
TEXAS-NEW MEXICO POWER COMPANY														
Ad Valorem Taxes by Month														
Update Period 7/01/2024 - 12/31/2024														
Line														
No.														
1	Account Description	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Total
2	408111 - Taxes - Ad Valorem	2,361,540	2,361,540	2,362,309	2,361,540	2,361,540	2,031,893	2,307,373	2,307,373	2,307,373	2,307,373	2,307,373	2,448,574	27,825,803

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Total Direct Assigned Net Plant
Update Period 7/01/2024 - 12/31/2024

Note: TNMP's 12/31/2024 Balance Sheet, showing TNMP's net plant balance at 12/31/2024, will be provided after the filing of TNMP's 2024 Form 10-Q.

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Texas Gross Margin Tax
Update Period 7/01/2024 - 12/31/2024

Line
No.

1	Total TCOS Revenue Requirement	175,041,954	Schedule A
2	Intercompany allocation	2.757%	Docket No. 56050
3	Less: Intra-Company TCOS Revenue	4,825,767	
4	Total TCOS Revenue for TX Gross Margin Tax	170,216,188	
5	Taxable Revenue Percentage	70.00%	
6	Total TCOS Taxable Revenue	119,151,331	
7	Texas Gross Margin Tax Rate for 2024	0.750%	
8	Gross Margin Tax Amount	893,635	Schedule E-2

Interim Wholesale Transmission Cost of Service TEXAS-NEW MEXICO POWER COMPANY Federal Income Tax Update Period 7/01/2024 - 12/31/2024					
Line No.	Description	Reference Schedule Workpaper	Amount Approved per Docket 56860 (1)	Interim Annual Increase (2)	Federal Income Taxes at 12/31/2024 (3) = (1) + (2)
1	Federal Income Taxes				
2					
3	Return on Rate Base	Schedule-B	86,307,825	6,592,064	92,899,889
4					
5	Deductions:				
6	Synchronized Interest	WP Schedule E-3.1	(38,805,705)	(2,963,922)	(41,769,627)
7	ITC Amortization	Docket 48401	-	-	-
8	Amortization of Protected Excess DFIT	Docket 48401	(1,153,969)	-	(1,153,969)
9	AFUDC Equity	Docket 48401	(334,674)	-	(334,674)
10	Amortization of Unprotected Excess DFIT	Docket 48401	(2,344,516)	-	(2,344,516)
11	Subtotal		(42,638,865)	(2,963,922)	(45,602,787)
12					
13	Additions:				
14	Depreciation Adjustment	Docket 48401	48,333	-	48,333
15	Meals and Entertainment	Docket 48401	21,600	-	21,600
16	Fines and Penalties	Docket 48401	-	-	-
17	Subtotal		69,933	-	69,933
18					
19	Taxable Component of Return		43,738,893	3,628,142	47,367,035
20	Tax Factor		26.58%	26.58%	26.58%
21					
22	Federal Income Taxes Before Adjust.		11,626,794	964,443	12,591,237
23					
24	Tax Credits				
25	ITC Amortization	Docket 48401	-	-	-
26	Amortization of Protected Excess DFIT	Docket 48401	(1,153,969)	-	(1,153,969)
27	Amortization of Unprotected Excess DFIT	Docket 48401	(2,344,516)	-	(2,344,516)
28	Subtotal		(3,498,486)	-	(3,498,486)
29					
30	TOTAL FEDERAL INCOME TAXES		8,128,309	964,443	9,092,751

Interim Wholesale Transmission Cost of Service
TEXAS-NEW MEXICO POWER COMPANY
Federal Income Tax - Synchronized Interest
Update Period 7/01/2024 - 12/31/2024

Line
No.

1	<u>Federal Income Tax - Synchronized Interest</u>		
2			
3	Increase In Rate Base	Schedule-B	83,549,611
4			
5	Weighted Cost of Debt	WP Schedule E-3.2	3.55%
6			
7	Incremental Synchronized Interest		2,963,922

PUBLIC UTILITY COMMISSION OF TEXAS TEXAS-NEW MEXICO POWER COMPANY II-C-2.1 WEIGHTED AVERAGE COST OF CAPITAL - AMENDED FOR THE TEST YEAR ENDING 12/31/2017 DOCKET NO. 48401											
Line No.		Reference Schedule	1 Balance	2 Proforma Adjustments	3 Proforma Balance	4 Percent of Total	5 Cost	6 Weighted Cost	7 Pro Forma Percent of Total	8 Cost	9 Pro Forma Weighted Cost
1	Common Equity	II-C-2.1	634,404,598	(226,664,902)	407,739,696	47.66%	9.65%	4.60%	45.00%	9.65%	4.34%
2	Preferred Stock	II-C-2.2	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Preferred Trust Securities	II-C-2.3	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Long-Term Debt	II-C-2.4	447,812,107	-	447,812,107	52.34%	6.45%	3.38%	55.00%	6.45%	3.55%
5	Short-Term Debt	II-C-2.5	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6											
7	Total		1,082,216,705		855,551,803	100.00%		7.98%	100.00%		7.8900%

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION SERVICE

Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: August 28, 2025

Page No.: 4

Revision: 35

T

3.1 Rate NTS – Network Transmission Service

Application

Applicable to all Transmission Service Customers receiving service over the Company's electric facilities rated at 60 kV and above ("Customers") for delivery of electric power and energy from resources to loads while maintaining reliable operation of the Company's transmission system in accordance with Good Utility Practice and Commission Substantive Rules. This Rate Schedule is not applicable to service offered by the Company under another Rate Schedule.

Type of Service

Three phase, 60 hertz, and at Company's standard transmission voltages.

Monthly Rate

Network Transmission Service Charge = \$2.311573 per kW

Rate Case Expense - Docket No. 48591* = \$0.000000 per kW

*The rates shall take effect on the first day of the month following Commission approval of this schedule and shall continue in effect for three years or until the full amount approved in Docket No. 48591 has been recovered.

The amount payable for Network Transmission Service for a month is equal to the product of (a) the sum of (i) one-twelfth of the Network Transmission Service Charge plus (ii) one-twelfth of the Rate Case Expense(s) (Docket No. 48591) multiplied by (b) the Customer's Utility System Demand. The Customer's "Utility System Demand" is the average of the demand, expressed in kilowatts, of the Customer's retail and wholesale loads for the 15-minute interval that is coincident with the ERCOT system coincident peak demand for the months of June, July, August, and September in the preceding calendar year.

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR TRANSMISSION SERVICE

Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: August 28, 2025

Page No.: 5

Revision: 35

T

Transmission Service Charges for Exports from ERCOT

In accordance with P.U.C. SUBST. R. 25.192(e), Transmission Service Customers, excluding those customers that are eligible for the OklaUnion Exemption, exporting power from ERCOT will be assessed transmission service charges for the use of the ERCOT transmission system, based on the amount of power actually exported and the duration of the transaction, and which shall be calculated using the charges set forth below:

Hourly rate per kW	\$0.000264 per kW	I
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Payment

The Company must receive payment by the 35th calendar day after the date of issuance of the bill to Customer, unless the Company and the Customer agree on another mutually acceptable payment due date in the service agreement between the Company and the Customer, in accordance with applicable Commission Substantive Rules. Interest will accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Agreements

Customers shall enter into a service agreement with the Company covering the specific terms and conditions of the Network Transmission Service requested.

TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR TRANSMISSION SERVICE

Chapter 3: Rate Schedules

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TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR TRANSMISSION SERVICE

Chapter 3: Rate Schedules

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Customers shall enter into a service agreement with the Company covering the specific terms and conditions of the Network Transmission Service requested.

P.U.C. DOCKET NO. 58443

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF
TEXAS-NEW MEXICO POWER COMPANY
FOR INTERIM UPDATE OF
WHOLESALE TRANSMISSION RATES
PURSUANT TO 16 TEX. ADMIN. CODE § 25.192(h)(1)

PREPARED DIRECT TESTIMONY AND EXHIBITS
OF KEITH C. NIX

ON BEHALF OF
TEXAS-NEW MEXICO POWER COMPANY

JULY 24, 2025

TABLE OF CONTENTS

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II.	PURPOSE OF TESTIMONY	1
III.	DESCRIPTION OF TNMP’S INTERIM TCOS FILING.....	1
IV.	CONCLUSION	3

EXHIBIT

KCN-1 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

I. INTRODUCTION AND QUALIFICATIONS

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

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

Q. PLEASE DESCRIBE YOUR POSITION WITHIN THE COMPANY AND AREAS OF RESPONSIBILITY WITHIN TNMP.

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

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

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

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY BODIES?

A. Yes. I have sponsored testimony before the New Mexico Public Regulatory Commission ("NMPRC") in Case No. 09-00260-UT and before the Public Utility Commission of Texas ("PUCT") in Docket Nos. 48401, 51752, 52347, 53146, 53856, 54588, 55270, 56045, 56155, 56860, and 57578.

II. PURPOSE OF TESTIMONY

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

A. The purpose of my testimony is to support the interim update to wholesale transmission rates for TNMP pursuant to 16 Tex. Admin. Code § 25.192(h) (TAC). My testimony establishes that transmission plant additions included in this filing are complete and are "used and useful" as required by General Instruction No. 2 of the Interim TCOS Filing Package.

III. DESCRIPTION OF TNMP's INTERIM TCOS FILING

Q. HAS TNMP LISTED AND DESCRIBED THE TRANSMISSION FACILITY ADDITIONS INCLUDED IN ITS INTERIM TCOS UPDATE?

1 A. Yes. TNMP witness Randall Hackbarth has included a listing and description of
2 transmission projects closed to plant-in-service from December 31, 2024 through June 30,
3 2025 in WP/ScheduleB-1.2. The dollar amounts shown for these projects are those that
4 have been incurred as of June 30, 2025. It is not unusual for costs such as contractor
5 invoices and landscaping charges to be recorded in subsequent time periods. Therefore,
6 it is likely that some of the charges included in the December 31, 2024 through June 30,
7 2025 period relate to projects actually in service prior to December 31, 2024, and it is also
8 likely that some in-service projects will incur some charges after June 30, 2025 that are
9 not included in this interim TCOS filing.

10 **Q. WHAT ARE THE STANDARDS FOR INCLUSION OF TRANSMISSION PROJECTS IN**
11 **THE INTERIM TCOS FILING?**

12 A. The Interim TCOS Filing Package, General Instruction No. 2, provides that “only the costs
13 associated with completed (used and useful) transmission additions shall be eligible for
14 recovery through interim rates.”

15 **Q. DOES TNMP’S TRANSMISSION PLANT NET ADDITIONS INCLUDED IN THE INTERIM**
16 **TCOS FILING MEET THE “USED AND USEFUL” REQUIREMENT OF THE INTERIM**
17 **TCOS FILING PACKAGE?**

18 A. Yes, the transmission plant net additions included in the Interim TCOS filing are completed
19 and are providing transmission service, which satisfies the “used and useful” requirement.

20 **Q. PURSUANT TO GENERAL INSTRUCTION NO. 2 IN THE INTERIM TCOS FILING**
21 **PACKAGE, DID TNMP AMEND ITS CERTIFICATE OF CONVENIENCE AND**
22 **NECESSITY (“CCN”) TO INCLUDE VARIOUS PROJECTS INCLUDED IN THIS**
23 **APPLICATION?**

24 A. Yes. TNMP amended its CCN for two projects (NTE09023 - New Pilot Point T-Line and
25 NTE07825 – Cowpen 345/138kV Station RPG). The amendment for the Pilot Point project
26 was approved in May 2024 and the amendment for the Cowpen project was approved in
27 June 2025.

28 **Q. GENERAL INSTRUCTION NO. 2 IN THE INTERIM TCOS FILING PACKAGE**
29 **REQUIRES A LISTING OF WHICH PROJECTS ARE LOCAL AND WHICH PROJECTS**
30 **ARE NOT LOCAL. HOW DO YOU INTERPRET THOSE TERMS?**

31 A. All of the projects TNMP has included in this filing are local. These are projects that provide
32 direct interconnection to wholesale or retail customers, or that replace existing equipment.

1 Q. HAVE INTERCONNECTION AGREEMENTS BEEN EXECUTED AND FILED WITH THE
2 COMMISSION FOR INTERCONNECTION PROJECTS?

3 A. Yes. Eight Standard Generation Interconnection Agreements were executed and two
4 Standard Generation Interconnection Agreements were amended during the period
5 covered by this filing. These interconnection agreements were filed with the Commission
6 in Project No. 35077 and are currently in the engineering/planning phase with in-service
7 dates between December 2025 and March 2027.

8 IV. CONCLUSION

9 Q. WHAT ACTION DO YOU PROPOSE THAT THE COMMISSION TAKE IN THIS
10 PROCEEDING?

11 A. TNMP is requesting the Commission approve TNMP's interim TCOS adjustment and allow
12 for billings to begin 35 days after the filing of this application.

13 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

14 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:

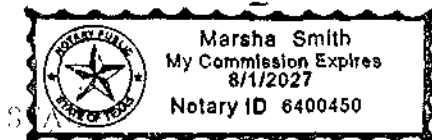
“My name is Keith Nix. I am of legal age, a resident of the State of Texas, and have never been convicted of a felony. I certify that the foregoing testimony and exhibit(s), offered by me on behalf of Texas-New Mexico Power Company, are true and correct and based upon my personal knowledge and experience.”

Keith Nix
Witness

* * * * *

SWORN TO AND SUBSCRIBED before me, Notary Public, on this 23rd day of July 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 – Engineering & Technical Services**Employment:****Texas – New Mexico Power Company**

Vice President – Operations, 2022 to Present

Texas – New Mexico Power Company

Vice President – Engineering & Technical Services, 2014 to 2022

Public Service Company of New Mexico

Director – Technical Services & System Reliability, 2010 to 2014

Public Service Company of New Mexico

Director – Utility Operations Projects, 2008 to 2010

Public Service Company of New Mexico

Director – Power Operations, 2006 to 2008

Public Service Company of New Mexico

Sr. Project Manager, 2004 – 2006

Public Service Company of New Mexico

Team Leader II, 2003 to 2004

Texas – New Mexico Power Company

Managing Engineer (New Mexico), 1999 to 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**

The following files are not convertible:

6.30.2025 Interim TCOS.xlsx
Exhibit RVH-2 Final.xlsx
Exhibit RVH-3.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.