

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE JOINT APPLICATION OF)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC.AND TROY PARENTCO LLC)
FOR APPROVAL OF AN ACQUISITION AND MERGER)
OF TROY MERGER SUB INC. WITH TXNM ENERGY,) Case No. 25-00060-UT
INC.; APPROVAL OF A GENERAL DIVERSIFICATION)
PLAN; AND ALL OTHER AUTHORIZATIONS AND)
APPROVALS REQUIRED TO CONSUMMATE AND)
IMPLEMENT THIS TRANSACTION (“JOINT)
APPLICATION”))**

**ORDER GRANTING MOTION FOR ORDER
DIRECTING JOINT APPLICANTS TO SHOW CAUSE**

THIS MATTER comes before the Hearing Examiners upon Prosperity Works’ Motion and Brief for Order Directing Joint Applicants to Show Cause (“Motion”), the Joint Applicants’ Response in opposition thereto (“Response”), the pleadings filed by other parties joining and supporting the Motion, and the Replies filed by Prosperity Works, Joint Applicants, and other parties. The Motion raises a significant question concerning the interpretation and applicability of NMSA 1978, Section 62-6-12, and whether the stock acquisition described in the pleadings was subject to the statute’s requirement for prior Commission authorization. The Hearing Examiners have reviewed the Motion, the Response, other associated pleadings, and the applicable law. Based upon that review, the Hearing Examiners **FIND AND CONCLUDE:**

1. On February 6, 2026, Prosperity Works filed its Motion asserting that TXNM Energy, Inc. issued, and an affiliate of the acquiring entity purchased, approximately \$400 million in TXNM stock. The Motion argues that TXNM was required, pursuant to NMSA 1978, Section 62-6-12, to obtain express authorization from the New Mexico Public Regulation Commission (“Commission”) prior to undertaking this transaction.

2. On February 18, 2026, the Joint Applicants filed their Response, asserting generally that Section 62-6-12 applies only to acquisitions resulting in control and that the stock transaction constituted a separate financing arrangement not subject to prior Commission approval.

3. Commission Staff, New Energy Economy, Coalition for Clean and Affordable Energy, and the New Mexico Department of Justice subsequently filed pleadings joining and supporting Prosperity Works' Motion.

4. On March 2, 2026, the Joint Applicants and Prosperity Works filed an Unopposed Motion for Leave to File Replies claiming that issues were raised in the supporting pleadings that were not contemplated in the original Motion and Response. The Hearing Examiners granted the motion with an expedited filing deadline.

5. On March 4, 2026, Joint Applicants, Prosperity Works, New Energy Economy and the New Mexico Department of Justice filed replies further arguing their respective positions.

6. Having carefully reviewed all pleadings and the applicable law, the Hearing Examiners find that Prosperity Works has raised a colorable and material statutory question regarding the scope and applicability of Section 62-6-12 and whether the stock acquisition in question required prior Commission authorization.

7. The Commission is charged by statute with protecting the public interest and ensuring that public utilities and their affiliates comply with applicable law. This responsibility requires scrutiny of transactions undertaken in connection with utility mergers and acquisitions. The statutory question raised by the Motion is therefore both significant and

central to the Commission's exercise of its regulatory authority, and merits further investigation.

IT IS THEREFORE ORDERED:

- A. Prosperity Works' Motion is **GRANTED**.
- B. The Hearing Examiners will issue a separate Order Directing Joint Applicants to Show Cause pursuant to 1.2.2.22 NMAC commensurate with this Order.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 11th day of March 2026.



NEW MEXICO PUBLIC REGULATION COMMISSION

A handwritten signature in black ink, appearing to read "J Barrett", written over a horizontal line.

Jocelyn Barrett
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A handwritten signature in black ink, appearing to read "Patrick Schaefer", written over a horizontal line.

Patrick Schaefer
Hearing Examiner

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CERTIFICATE OF SERVICE

This Certifies that on this date I sent a true and correct copy of **Order Granting Motion for Order Directing Joint Applicants to Show Cause** via email, to the parties listed here.

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DATED this March 11, 2026

NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ Ana Kippenbrock – Electronically signed
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