BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR APPROVAL OF AN AMENDED SPECIAL SERVICE CONTRACT WITH GREATER KUDU LLC, THREE PURCHASED POWER AGREEMENTS AND THREE ENERGY STORAGE AGREEMENTS PURSUANT TO 17.9.551 NMAC, AMENDED RATE NO. 36B, AMENDED RIDER NO. 47 AND AMENDED RIDER NO. 49	**Case No. 25-00048-UT**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	
Applicant.	

DIRECT TESTIMONY

OF

MICHAEL J. SETTLAGE

June 13, 2025

NMPRC CASE NO. 25-00____-UT
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WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

DIRECT TESTIMONY OF
MICHAEL J. SETTLAGE
NMPRC CASE NO. 25-00____-UT

I. INTRODUCTION AND PURPOSE

Q. Please state your name, title, and business address.

A. My name is Michael J. Settlage. I am a Pricing Principal for Public Service Company of New Mexico ("PNM" or "Company"). My business address is 414 Silver Ave SW, Albuquerque, New Mexico 87102.

Q. Please summarize your educational background and professional qualifications.

A. PNM Exhibit MJS-1 describes my educational and professional qualifications.

Q. Have you previously testified in regulatory proceedings?

A. Yes. The cases in which I have testified are identified in PNM Exhibit MJS-1.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to support PNM's Application in this proceeding. In support of PNM's Application, my testimony describes certain aspects of the Third Amended and Restated Special Services Contract ("Restated SSC"); with Greater Kudu, LLC or the "Customer", specifically, it:

1. Describes the proposed modifications to the Contribution to Production Charge for System Supplied Energy[1] ("CTP") rate in the Second Amended

[1] This rate was referred to as "Contribution to Production Charge for System Supplied Energy" in the original Rate No. 36B. In the Restated SSC and its exhibits, the original rate is referred to as "Original Contribution to Production Component" and the new rate going forward is referred to as the "Contribution to Production Component."

and Restated Special Service Contract ("Current SSC") approved in Case No. 18-00269-UT, which has been modified under the Restated SSC to more clearly demonstrate that additional renewable resources procured for the Customer and the associated tariffs to serve the Customer together will have No Net Adverse Impact[2];

2. Describes the proposed modifications to the Green Energy Rider No. 47;
3. Explains the reasons for and impact of the proposed amended tariff for Production Cost Allocation Rider No. 49;
4. Describes the proposed amended Special Services Rate – Renewable Energy Resources Rate Schedule 36B, and
5. Describes the changes in the Restated SSC that impact the Rates and Riders referenced above.

PNM Witness Aguirre describes the proposed changes to the Restated SSC in general. I detail the changes in the Restated SSC relating to Rate No. 36B and Rider Nos 47 and 49.

II. MODIFICATIONS TO SPECIAL SERVICE CONTRACT

Q. What modifications to the Current SSC is PNM proposing?

A. PNM seeks to amend the Current SSC:

[2] Restated SSC at § 1.1

- To update definitions for Production Revenue Requirement, Production Revenue Requirement Offset, and Production Revenue Requirement Offset Subsidy to clarify the calculation of CTP.
- To update definitions for SSC Resource, SSC Energy Resource, and SSC Storage Resource to support the introduction of SSC Storage Resources.
- To add a definition for SSC Storage Resource Capacity Value Factor, which is used to calculate the CTP.
- To clarify the calculation of CTP described in Exhibit D1.
- To describe SSC Resource curtailment impacts.
- To clarify and simplify the determination of No Net Adverse Impact.

III. IMPACTS ON CONTRIBUTION TO PRODUCTION

Q. What is the CTP Component in the Restated SSC?

A. The CTP Component is a rate element on the Customer's monthly energy bill designed to ensure that any Rate Schedule 36B customer pays their allocated share of production costs as determined in a rate case. In the context of a base rate case, the CTP is calculated based on the Production Revenue Requirement, which is the estimated amount of generation related costs that would have been allocated to the Customer absent their SSC Resources, less the Production Revenue Requirement Offset, which represents the value of the SSC Resources as accounted for toward the generation related costs. The CTP Component is the difference between the Production Revenue Requirement ($) and the Production Revenue Requirement

Offset ($) divided by the sum of Customer's annual billable demand (kW). The CTP is never negative.

The CTP Component is updated and approved by the New Mexico Public Regulation Commission ("PRC" or "Commission") as part of a general rate case. The CTP Component is described in Exhibit D1 to the SSC.

Q. How is PNM proposing to modify the CTP charge in the Revised SSC?

A. The existing method previously approved to calculate the CTP charge is not changed but has been clarified and updated to reflect the reduced dependance on PNM's other generation resources resulting from the addition of SSC Resources and to describe how SSC Energy Resource curtailments are accounted for in the calculation of the Production Revenue Requirement Offset ("PRRO").

The CTP methodology recognizes the hours when the SSC Resources contribute to peak loads as defined in PNM's cost allocation process for generation related costs. In the Revised SSC, this calculation is referred to as the Coincident Peak Methodology, defined in Exhibit D1.

Q. What are the proposed changes to the Coincident Peak Production Methodology described in Exhibit D1 for SSC Storage Resources?

A. In Exhibit D1 of the Revised SSC, the Coincident Peak Production Method uses a specific capacity value defined as the SSC Storage Resources Capacity Value Factor, for all SSC Storage Resources. PNM controls SSC Storage Resources and operates them for the overall benefit of the PNM system; and therefore, these

resources are available to PNM during the hours used in the Coincident Peak Production Methodology. Thus, because PNM has dispatch control of these resources, the PRRO in the CTP calculation uses the SSC Storage Resource Capacity Value Factor.

Q. How is the PRRO calculation in the CTP affected by SSC Storage Resources?

A. In the PRRO calculation (which is a component of the CTP), the value that SSC Storage Resources provide is calculated as the SSC Storage Capacity Value Factor agreed upon by the parties in the Restated SSC, multiplied by the resource nameplate capacity. As defined in the Revised SSC, the SSC Storage Capacity Value Factor is 78% for all SSC Storage Resources filed for NMPRC approval prior to December 31, 2025; and this value shall endure as a fixed value for the life of each applicable SSC Storage Resource.

For example, an SSC Storage Resource with a 100 MW nameplate capacity would provide a capacity of 78 MW (100 MW x 78%) for use in the PRRO calculation for as long as the ESA for the associated SSC Storage Resource is in effect.

Q. Are there proposed changes to the Coincident Peak Production Methodology described in Exhibit D1 for SSC Energy Resources?

A. No. The contributions of SSC Energy Resources to the Coincident Peak Production Methodology shall remain the same as currently approved.

Q. Can you provide a more detailed example CTP Component calculation based on the Restated SSC?

A. Yes. Please see the example CTP Component calculation in PNM Table MJS-1.

PNM Table MJS-1
Example Contribution to Production Component Calculation

Line	**Production Revenue Requirement Calculation**	Production Allocation
1	Total system retail Production Revenue Requirement ($)	$ 375,000,000
2	Sum of all system retail Production-related Coincident Peak Demand Loads (kW)	12,500,000
3	Retail capacity rate (line 1 / line 2) ($/kW)	30.00
4	The sum of Customer's Coincident Peak Billable Demand **Loads (kW)**	1,200,000
5	**Production Revenue Requirement (line 3 x line 4)**	$ 36,000,000
	Production Revenue Requirement Offset Calculation	
6	Total system retail Production Revenue Requirement ($)	$ 375,000,000
7	Sum of all system retail Production-related Coincident Peak Demand Loads (kW)	12,500,000
8	Retail capacity rate (line 1 / line 2) ($/kW)	30.00
9	The sum of Coincident Peak **Production** for all SSC Resources	1,400,000
10	**Production Revenue Requirement Offset (line 8 x line 9)**	$ 42,000,000
	Contribution to Production Component Calculation	
11	**Production Revenue Requirement (line 5) ($)**	$ 36,000,000
12	**The Production Revenue Requirement Offset (line 10) ($)**	$ 42,000,000
13	Revenue (excess) or deficiency (line 11 - line 12) ($)	$ (6,000,000)
14	The sum of Customer's annual billable demands(kW)	3,900,000
15	Calculated revenue offset rate (line 13 / line 14) ($/kW)	(1.54)
16	**Contribution to Production Component (greater of zero and line 15)**	0.00

Here, the example Production Revenue Requirement ("PRR") (line 5) is $36,000,000 and is less than the example Production Revenue Requirement Offset ("PRRO") (line 10) of $42,000,000 provided by the SSC Resources. This example results in a negative calculated revenue offset rate (line 15), and thus, the CTP Component (line 16) is set to zero.

As noted above, the Revised SSC describes how SSC Resources, including SSC Storage Resources and SSC Energy Resource curtailments, are used in the Coincident Peak Production (line 9) in Exhibit D1.

Q. Will the Restated SSC CTP component, as approved in Case No. 18-00269-UT and revised in Case No. 22-00270-UT, to the Special Service Rate proposed in PNM's application affect any charges to the Customer or the rates of any of PNM's other customers prior to the effective date of rates approved by the Commission in PNM's next general rate case proceeding?

A. No. The CTP calculation in the Restated SSC will be applied in general rate proceedings following Commission approval of this Restated SSC. Until then, there are no changes proposed in this application to the charges paid by the Customer or any of PNM's other customers.

Q. Is PNM proposing to clarify the methodology used to calculate the PRRO in this case?

A. Yes. The methodology to calculate the PRRO now specifies how SSC Storage Resources are treated in the PRRO calculation. It also specifies the treatment of certain SSC Resource curtailments.

IV. SSC RESOURCE CURTAILMENTS

Q. Do SSC Energy Resource curtailments factor into the CTP calculation?

A. Yes, they can. SSC Energy Resource curtailments factor into the calculation of the PRRO which is used to calculate the CTP. The handling of SSC Energy Resource curtailments is dependent upon whether PNM owes compensation to the seller under the respective Third-Party SSC Energy Resource PPA or not. When PNM owes compensation to the seller, the SSC Energy Resource production includes the curtailed capacity in the calculation of the PRRO. In other words, in the case where an SSC Energy Resource is curtailed and PNM owes the seller compensation, PNM pays the seller for any curtailment charges, charges the 36B customer as if no curtailment had occurred, and provides the 36B customer with replacement RECs.

V. MODIFICATIONS TO RATE NO. 36B, RIDER NO. 47, AND RIDER NO. 49

Q. What modifications are proposed to Rate No. 36B?

A. There are two modifications proposed to the language of Rate No. 36B.

1. Customer Eligibility items 1) and 5) on page 1 of the Rate have been updated to more clearly indicate that existing 36B customers are qualified to remain on the rate and that adding renewable or alternative capacity projects is sufficient to qualify for the Rate.
2. The phrase Monthly Rate was revised to Monthly Charge because some of the rate elements have differing denominators (per bill, per kW, per kWh)

and could not be simply added. The Monthly Charge explicitly calculates the same monthly dollar charge as was intended to be calculated by the Monthly Rate.

Changes to definition of curtailments in Section 8.1 of the SSC can impact the fuel cost adjustment charge applied to System Supplied Energy and the energy related non-fuel charge for system supplied energy. For curtailments in which PNM is obligated to pay compensation to the seller under a Third-Party PPA for such curtailment, PNM provides replacement energy to Customer at the applicable PPA rate, and this replacement energy is not subject to the Fuel Cost Adjustment applied to System Supplied Energy Charge or the Energy Related Non-Fuel Charge for system supplied energy.

Q. What modifications are proposed to Rider No. 47?

A. The proposed language of Rider No. 47 Customer Eligibility items 1) and 4) on page 1 of the Rider have been updated to more clearly indicate that existing 36B customers are qualified to remain on the rate and that the addition of sufficiently sized SSC Resources of any type is enough to qualify for the Rider.

The definition of SSC resources now includes SSC Storage Resources. The Schedule 36B customer shall pay the full cost of SSC Storage Resources as described in this Rider. SSC energy resource curtailments where PNM pays compensation for the curtailment to the seller are discussed below.

Q. How do curtailments of SSC Energy Resources impact the amount the customer pays PNM for purchased power agreements ("PPA")?

A. Curtailments of SSC Energy Resources are treated according to the terms of each respective PPA. Some SSC energy resource PPAs specify that PNM must pay compensation to the seller for certain curtailments. For these specific curtailments, the output of the SSC Energy Resource is curtailed, PNM supplies the Rate No. 36B customer with replacement RECs and energy and charges the Rate No. 36B customer as if no curtailment has occurred. PNM also pays any curtailment charges due to the seller per the terms of the applicable PPA. There are no changes related to any other curtailments.

Q. Please generally explain the purpose of PNM's proposed Rider No. 49 Production Cost allocation rider.

A. Rider No. 49 describes how the stipulated values of Rider No. 47 resources used in the CTP calculation of the test period of the general rate proceeding final order are compared to the actual performance of these same resources in test period once the test period used in the general rate proceeding has concluded. It describes how the Final Order CTP component, which may use stipulated values for some SSC Resources, is compared to a CTP that uses actual resource performance for resources that had stipulated values in the test period. It also describes the two rate elements necessary to collect any under recovery that could have occurred if the customer's Production Revenue Requirement is more than the customer's

Production Revenue Requirement Offset calculated using actual values for resources that were stipulated in the rate case.

Q. Please describe how Rider No. 49 works.

A. Rider No. 49 provides for a mechanism to recover any Deemed Under-Collected production costs from the Rate No. 36B customer. An Under-Collection of the customer's allocated production costs will be deemed to occur if the CTP calculated using Test Period actual values for SSC Energy Resources for which a stipulated capacity value was used, is less than the generation-related costs allocated to Rate No. 36B as approved in the most recently approved PNM Rate Case.

Q. How is this mechanism used?

A. This comparison is performed within four months of the end of the test period in a general rate case. PNM compares the CTP rate element approved in the most recent rate case which used stipulated values for certain SSC resources, to a CTP rate that is calculated based on actual capacity values from the Test Period for those same SSC resources.

If a Deemed Under-Collection of the customer's allocated production costs occurs, two rate elements will be calculated.

A Reset Rate charge is calculated to recover the ongoing deemed under collection. This charge will be applied to the customer's monthly bill and will remain in effect until rates from the next approved rate case go into effect.

An Interim Period Charge is calculated to recover the deemed under collection that occurred during the time between the end of the Test Period and the effective date of the Reset Rate. This Charge is designed to recover the interim period under collection over six months and will be applied to the customer's monthly bills for six months.

Q. Please provide an example of a Rider 49 True-Up calculation.

A. PNM Table MJS-2 provides an illustrative example of a Rider 49 True-up calculation.

PNM Table MJS-2
Example of Rider 49 Calculation

Line	**Production Revenue Requirement Calculation**	Approved Case Allocation		Test Period Rider 49 Stipulated Actuals Allocation
1	Total system retail Production Revenue Requirement ($)	$ 270,000,000		$ 270,000,000
2	Sum of all system retail Production-related **Coincident Peak Demand Loads** (kW)	2,000,000		2,000,000
3	Retail capacity rate (line 1 / line 2) ($/kW)	135.00		135.00
4	The sum of **Customer's** Coincident Peak Billable **Demand Loads (kW)**	230,000		230,000
5	**Production Revenue Requirement (line 3 x line 4)**	$ 31,050,000		$ 31,050,000
	Production Revenue Requirement Offset Calculation			
6	Total system retail Production Revenue Requirement ($) (line 1)	$ 270,000,000		$ 270,000,000
7	Sum of all system retail Production-related **Coincident Peak Demand Loads** (kW) (line 2)	2,000,000		2,000,000
8	Retail capacity rate (line 1 / line 2) ($/kW) (line 3)	135.00		135.00
9	The sum of Coincident Peak **Production** for all **SSC Resources (kW)**	330,000		310,000
10	**Production Revenue Requirement Offset (line 8 x line 9)**	$ 44,550,000		$ 41,850,000
	Contribution to Production Component Calculation			
11	**Production Revenue Requirement (line 5) ($)**	$ 31,050,000		$ 31,050,000
12	**The Production Revenue Requirement Offset (line 10) ($)**	$ 44,550,000		$ 41,850,000
13	Revenue (excess) or deficiency (line 11 - line 12) ($)	$ (13,500,000)		$ (10,800,000)

14	The sum of Customer's annual billable demands(kW)	3,900,000	3,900,000
15	Calculated revenue offset rate (line 13 / line 14) ($/kW)	(3.46)	(2.77)
16	**Contribution to Production Component (greater of zero and line 15)**	0.00	**0.00**

Q. If a Deemed Under-Collection of production costs from the Rate No. 36B customer occurs, does that mean that the Rate No. 36B customer's allocated Production costs are being subsidized by other customer classes?

A. No. Rider No. 49 ensures that this cannot happen. The two rate elements calculated in Rider No. 49 ensure that the Deemed Under-Collection of production costs is recovered from the Rate No. 36B customer, and no other customers are impacted. Any revenues collected from the Customer due to the Deemed Under-Collection, including the Reset Rate and the Interim Period Charge will be booked to a regulatory liability and shall be returned to the Company's retail customers in the next general rate case where ratemaking treatment shall be determined by the Commission.

Q. Has PNM performed any Rider No. 49 true ups?

A. Yes, once. The first Rate Case approved and effective after Rider 49 was approved was Case No. 22-00270-UT. The test period for Case No. 22-00270-UT was calendar year 2024. PNM performed the true-up calculation in March 2025. This calculation demonstrated that the PRRO using actual value for those values that were stipulated exceeded the PRR, thus the Rider 49 rate element remains at $0.00.

VI. NO NET ADVERSE IMPACT

Q. How will the amended Rate No. 36B and Rate Rider Nos. 47 and 49 impact other customer classes?

A. The amended Rate No. 36B will not impact other customer classes. The proposed changes to Rate No. 36B clarify that existing 36B customer remains eligible for the Rate Requirements, clarify the monthly charge, the application of the Fuel Cost Adjustment, and the application of the energy related non-fuel charge. None of these modifications impact other customer classes. Rate No. 36B, Rider No 47, and Rider No 49 along with the Restated SSC ensure that there is no impact to other customers.

Q. How do the modifications to the Restated SSC ensure the additional resources procured for the Customer and the associated tariffs to service the Customer will have No Net Adverse Impact?

A. Section 5.1.2 describes the Determination of No Net Adverse Impact. There is No Net Adverse Impact if the Test Period Revenue projected from Rate No. 36B customer during the Company's Test Period equals or exceeds (a) the separate class Cost-Based Allocated Revenue Requirement Company is required to undertake for the Rate No. 36B customer in each general rate proceeding minus (b) the Production Revenue Requirement Offset Subsidy.

This calculation of Production Revenue Requirement Offset is described in SSC Exhibit D1. An illustrative example of the demonstration of No Net Adverse Impact calculation is provided in PNM Table MJS-3.

PNM Table MJS-3
Example Demonstration of No Net Adverse Impact

Line	Cost Based Production Revenue Requirement	Generation Allocation
1	Cost-Based Allocated Revenue Requirement for 36B Customer	$31,050,000
	Production Revenue Requirement Offset Calculation	
2	Total system retail Production Revenue Requirement ($) (line 1)	$270,000,000
3	Sum of all system retail Production-related **Coincident Peak Demand Loads** (kW) (line 2)	2,000,000
4	Retail capacity rate (line 1 / line 2) ($/kW) (line 3)	135.00
5	The sum of Coincident Peak **Production** for all **SSC Resources**	330,000
6	**Production Revenue Requirement Offset (line 4 x line 5)**	$44,550,000
7	**Production Revenue Requirement Offset Subsidy ($) (Line 6 - Line 1)**	$13,500,000
8	**Test Period Revenue projected from Customer ($)**	$ 21,000,000
	NNAI Determination	
9	Is Test Period Revenue projected from Customer >= (Cost Based Allocated Revenue Requirement minus Production Revenue Requirement Offset Subsidy)? Is line 8 >= line 1 – line 7? Is $21,000,000 >= $31,050,000 - $13,500,000? Yes. $21,000,000 > $17,550,000.	Yes. Therefore, there is No Net Adverse Impact.

In this example, the Test Period Revenue projected from the Rate No. 36B customer exceeds the Cost Based Revenue Requirement less the Production Revenue Requirement Offset Subsidy. Thus, there is no Net Adverse Impact. PNM Witness Aguirre also provides a formulaic explanation around the No Net Adverse Impact standard as proposed in the Revised SSC.

Q. How does Rider No. 49 ensure there is NNAI?

A. Rider No. 49 offers an additional safeguard to other customers. It recalculates the PRRO based on actual values for any SSC energy resources which used stipulated values in the rate case test period. If a Deemed Under-Collection occurs, the Deemed Under-Collection is collected from the Rate No. 36B customer through the two rate elements described in this rider.

VII. CONCLUSION

Q. Please summarize your testimony.

A. In my testimony, I describe how changes to the SSC impact the calculation of charges to the Rate No. 36B customer. I also describe the calculation to demonstrate that the Rate No. 36B customer meets the No Net Adverse Impact determination. Additionally, I describe how SSC Storage resources are treated in the Contribution to Production calculation and how curtailments of SSC Energy Resources are handled. I also describe changes in Rider Nos. 47 and 49.

Q. Does this conclude your testimony?

A. Yes, it does.

GCG#533862

Resume of Michael J. Settlage

PNM Exhibit MJS-1

Is contained in the following 3 pages.

Michael J. Settlage
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Michael J. Settlage

Address: PNM Resources, Inc.
MS 1105
414 Silver SW, Albuquerque, NM 87102

Position: Principal, Pricing and Regulatory Service
Public Service Company of New Mexico (PNM)

Education: Bachelor of Science- Electrical and Computer Engineering
Clemson University, 1984

Master of Science- Electrical and Computer Engineering
Specialization in Power Engineering
Clemson University, 1985

Employment:
- *Pricing Principal/Lead Pricing Analyst*, PNM (02/2019-Present);
- *Manager of Grid Modernization,* PowerServices, Inc. (07/2017-02/2019);
- *Director of Engineering and Project Management,* Nexgrid, LLC. (01/2017-07/2017);
- *Operations Manager,* ElectriCities of NC. (01/2011-01/2017);
- *Owner, ConciseConcept, LLC. (01/2007-11/2013);*
- *Various Positions,* Carolina Power & Light/ Progress Energy/ Progress Ventures/ Arclight Energy Marketing. (01/1986-06/2007);
- *Research Associate,* Clemson University, Clemson University Electric Power Research Association (CUEPRA). (08/1983-12/1985).

Previous Testimony:

Proceeding	**Body**	**Docket**
Adjustment of Base Rates for Fuel Costs of Carolina Power & Light Company	Public Service Commission of South Carolina	1995-1-E

Annual Review of Carolina Power and Light Base Rates for Fuel Costs	Public Service Commission of South Carolina	1998-1-E
Testimony Supporting Reconciliation of PNM's 2018 Energy Efficiency Incentive	NMPRC	17-00076-UT
Testimony in Support of PNM's 2020 Energy Efficiency Incentive	NMPRC	17-00076-UT
PNM's Application for Approval of PNM Solar Direct Voluntary Renewable Energy Program	NMPRC	19-00158-UT
PNM's Renewable Energy Act Plan for 2020	NMPRC	19-00159-UT
PNM's Consolidated Application for Abandonment of San Juan Generating Station	NMPRC	19-00195-UT
PNM's Application for Approval of Energy Efficiency 2021 Plan	NMPRC	20-00087-UT
PNM's Application for Approval of Demand Response Plan	NMPRC	20-00218-UT
PNM's Application for Four Corners Abandonment And Financing Approval	NMPRC	21-00017-UT
PNM's Application for Facebook PPA and ESA 3	NMPRC	21-00031-UT
PNM's Application for Abandonment of PVNGS Leases and Approval of Replacement Resources	NMPRC	21-00038-UT

PNM's Application for Community Solar	NMPRC	22-00020-UT
PNM's Application for Authorization to Implement Grid Modernization	NMPRC	22-00058-UT
PNM's Implementation of Community Solar Riders 56, 57 and Rate No 37	NMPRC	23-00071-UT

GCG#527497v4

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR APPROVAL OF AN AMENDED SPECIAL SERVICE CONTRACT WITH GREATER KUDU LLC, THREE PURCHASED POWER AGREEMENTS AND THREE ENERGY STORAGE AGREEMENTS PURSUANT TO 17.9.551 NMAC, AMENDED RATE NO. 36B, AMENDED RIDER NO.47 AND AMENDED RIDER NO. 49	)	
PUBLIC SERVICE COMPANY OF NEW MEXICO	)	**Case No. 25 -00048-UT**

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

MICHAEL J. SETTLAGE, Pricing Principal, Public Service Company of New Mexico, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Michael J. Settlage,** and it is true and accurate based on my own personal knowledge and belief.

DATED this 13th day of June, 2025.

/s/ Michael J Settlage Digitally signed by Michael J Settlage Date: 2025.06.13 10:33:13 -06'00'

MICHAEL J. SETTLAGE