

**PUBLIC SERVICE COMPANY OF NEW MEXICO**  
**NMPRC DOCKET NO. 26-00000\_\_\_\_**  
**EXECUTIVE SUMMARY**

Public Service Company of New Mexico (“PNM”) is filing an application with the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) for its Second Annual Grid Modernization Review Filing pursuant to the Commission’s final order in Docket No. 22-00058-UT. This filing provides an update on PNM’s progress implementing its Commission-approved six-year Grid Modernization Plan, presents updated revenue requirement estimates for year three (2027), and requests that those updated estimates be approved and afforded a presumption of reasonableness, consistent with the Commission’s prior directives. PNM also requests authorization to classify Software as a Service (“SaaS”) costs as capital in years two through six. PNM made a similar request in its First Annual Grid Modernization Review Filing in Docket No. 25-00049-UT, which was denied without prejudice.

During year one of implementation, PNM advanced all major components of its Grid Modernization Plan. Key accomplishments included execution of contracts with advanced metering infrastructure (“AMI”) vendors and system integrators; planning and initial deployment of AMI access points; initiation of development activities for the Customer Energy Management Platform and mobile application; progress on wide area network upgrades and cybersecurity planning; early data architecture work; and enhancements to program oversight and centralized change management.

In year two (2026), PNM will transition from planning and early development to full-scale implementation. Major milestones include the launch of AMI meter deployment, continued rollout of customer-facing digital tools, further deployment of cybersecurity and telecommunications infrastructure, procurement and installation of distribution automation equipment, and initiation of advanced distribution management system and distributed energy resource management system development. AMI meter deployment is expected to be completed by the end of year four.

In year three (2027), PNM will continue AMI meter installation, deployment of distribution automation, telecommunications, cybersecurity assets, along with the completion of Release One of the Advanced Distribution Management System (“ADMS”), and overall program oversight. Nearly half of the meter deployment will be completed in year three, while distribution automation, telecommunications, and cybersecurity will continue to deploy devices that will enhance customer reliability.

Consistent with the transparency requirements of the Grid Modernization Statute and the Commission’s final order in Docket No. 22-00058-UT, PNM reports on all available program metrics in this filing. Together with the reconciliation filing in Docket No. 26-0000048 and advice notice filing in Docket No. 26-0000058, this review filing satisfies the Commission’s requirement for annual review of grid modernization progress, updated cost estimates, updated revenue requirement estimates, and performance metrics. Furthermore, as required by the Commission’s final order in Docket No. 25-00049-UT, PNM incorporated a plan-level roadmap identifying the following: 1) AMI-enabled rates under development, 2) demand response and energy-efficiency offerings under development, and 3) anticipated timelines and proceedings in which they would be proposed.

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PNM respectfully requests that the Commission approve PNM's updated year three revenue requirement estimates and attach a presumption of reasonableness to those costs, as contemplated in the Final Order in Docket No. 22-00058-UT, and authorizes PNM to classify SaaS costs as capital in years two through six. PNM further requests that the Commission issue a final order in this matter no later than October 15, 2026.

*GCG#535123*