BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT, OWN, AND OPERATE, LOCATION APPROVAL, AND RIGHT-OF-WAY DETERMINATION FOR THE MID-STATE 345 KV TRANSMISSION PROJECT	)	
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	**Docket No. 26-0000XXX**
Applicant.	)	

APPLICATION

Public Service Company of New Mexico ("PNM") hereby submits its Application for approval to construct, own and operate the Mid-State 345 kV Transmission Project and associated facilities ("Application"). The Project is a new, approximately 102.8-mile, 345 kV transmission path extending from PNM's Western Spirit Switching Station to the Hidden Mountain Substation and includes related station expansions, reactive support, series compensation, and remedial action scheme modifications (the "Project"). PNM has partnered with Pattern Energy Group LP ("Pattern") to perform substantial development and construction activities for the Project under a Development and Construction Agreement. This Project is interdependent with the Palomas Wind Project, in which PNM is requesting Commission approval of the Palomas Purchased Power Agreements in Docket No. 26-0000114. The Project is needed to provide the network reinforcement required to deliver renewable energy interconnected in eastern New Mexico toward PNM's principal load-serving area, strengthen system reliability and resiliency, support load growth and changing resource needs, and improve operational flexibility.

PNM requests that the New Mexico Public Regulation Commission ("NMPRC" or "Commission"): (1) grant a Certificate of Public Convenience and Necessity ("CCN") pursuant to NMSA 1978, Sections 62-9-1 and 62-9-6; (2) approve the location of the Project pursuant to Section 62-9-3 and 17.9.592 NMAC; (3) determine, pursuant to Section 62-9-3.2, that a Right-of-

Way ("ROW") width of 200 feet is necessary for the Project; and (4) to the extent the Commission deems it necessary, provide express, written authorization, pursuant to NMSA 1978, Section 62-6-12(A)(4), for PNM to acquire the transmission line from Mid-State Transmission LLC (a Pattern affiliate) once it is constructed. PNM does not seek a determination of ratemaking principles or cost recovery in this case. PNM will request recovery of prudently incurred Project costs in an appropriate future general rate case.

In support of the Application, PNM states the grounds for approval below, which are supported by the direct testimony and exhibits filed with this Application. An index identifying the materials supporting PNM's compliance with the requested approvals will be provided as Attachment 2 to this Application.

I. DESCRIPTION OF PROJECT AND REQUIRED APPROVALS

1. PNM is a New Mexico corporation that owns, operates and controls public utility plant, property and facilities that provide retail and wholesale electric services in New Mexico. PNM is a public utility as defined in NMSA 1978, Section 62-3-3 and is subject to the jurisdiction of the Commission pursuant to the Public Utility Act ("PUA"), Chapter 62 NMSA 1978.

2. The Project consists of a new approximately 102.8-mile, 345 kV transmission line and associated facilities extending from the Western Spirit Switching Station in Torrance County to the Hidden Mountain Substation in Valencia County and traversing portions of Torrance, Socorro, and Valencia Counties. The Project is currently estimated to cost approximately $595 million, which consists of the fixed purchase cost of $570.9 million and an additional $24.1 million of work to be completed by PNM. The Project includes the following principal components:

- Construction of a new 345 kV transmission line between Western Spirit and Hidden Mountain;

- Expansion of the Western Spirit and Hidden Mountain stations to accommodate the new 345 kV line terminations;
- Installation of switchable shunt reactors at Western Spirit and Hidden Mountain;
- Construction of an intermediate series-compensation station in Socorro County;
- Modifications to the eastern New Mexico remedial action scheme; and
- Rebuilding portions of the existing Willard-to-Belen 115 kV line on structures capable of supporting the existing 115 kV circuit and the new 345 kV circuit, allowing use of portions of the existing corridor and ROW.

3. The Project is designed to provide the network reinforcement needed to support delivery of up to 800 MW of additional wind generation interconnected at Western Spirit toward PNM's load-serving area, subject to system topology, outages, dispatch, existing transmission reservations, available transfer capability, and applicable reliability criteria.

4. The Project will strengthen PNM's east-to-west transmission path, address identified thermal and transient-stability constraints, reduce dependence on remedial action schemes, provide additional options during planned and unplanned outages, and support changing resource and load conditions.

5. The Project supports PNM's 2029–2032 resource plan. PNM's Resource Application in Docket No. 26-0000114 identifies a resource need beginning in 2029 and includes 800 MW of Palomas wind resources. Mid-State provides the network reinforcement needed to deliver those resources from Western Spirit toward PNM's load-serving area.

6. PNM evaluated alternatives through its transmission and resource planning processes. The supporting evidence addresses lower-voltage upgrades, grid-enhancing technologies, use of existing facilities and corridors, three routing alternatives, and the no-project

alternative. The evidence demonstrates that Mid-State is a reasonable and economic alternative to meet the identified transmission and resource-driven need.

7. The Project is expected to be in service by the end of 2029. Timely Commission review is important because the schedule depends on regulatory approvals, final engineering and design, land and ROW acquisition, environmental and land authorizations, procurement of long-lead equipment, construction, testing, and operational certification.

8. The Development and Construction Agreement ("DCA") between PNM and Mid-State Transmission LLC is structured such that Mid-State Transmission LLC will own the line during the design and construction phases, after which PNM will acquire the line. For this reason, PNM includes a request for express, written authorization from the Commission to acquire the line once it is constructed, pursuant to NMSA 1978, Section 62-6-12(A)(4).

9. The following witnesses provide testimony and exhibits in support of the Application. Their testimony and exhibits are incorporated by reference herein:

a. Adam J. Alvarez, PNM Director of Regulatory Policy and Case Management, addresses the statutory and regulatory framework, requested approvals, future ratemaking treatment, Project benefits, and requested relief;

b. Kelsey L. Martinez, PNM Director of Regional Markets and Transmission Strategy, addresses the Project overview and need, transmission studies and alternatives, coordination with resource planning and other transmission projects, customer and public benefits, estimated cost, terms of the DCA, and anticipated in-service date;

c. Adam K. McClellan, PNM Senior Manager of Land Services, addresses the routing study, proposed route, land ownership and crossings, acquisition of ROW and easements, co-location, land permits and authorizations, stakeholder outreach, and ROW notification;

d. Cathy Newby, Director of Tribal Governance and Customer Engagement for PNMR Services Company, addresses Tribal outreach and engagement;

e. Ian Evans, Environmental Senior Manager for Pattern, addresses the Transmission Study Corridor within which the proposed route is located, the Environmental Report, agency consultation, protection measures, environmental impacts, land use, and compliance with the Location Statute and Location Rule; and

f. Gregory Parent, P.E., S.E., P.Eng., Principal of Transmission Line Engineering for Exo Inc., addresses the engineering analysis supporting the requested 200-foot ROW width.

10. Section 62-9-1 of the PUA (the "CCN Statute") requires public utilities to obtain a CCN from the Commission before beginning construction, operation, or extension of public utility plant or system outside the ordinary course of business. Because PNM's Application also requests approval of the transmission-line location, Section 62-9-3(K)(1) requires the Commission to issue an order granting or denying the CCN and location approval requests within nine months after the Application is filed, subject to an additional six-month extension for good cause shown.

11. The Project satisfies the standards for issuance of a CCN. It addresses an identified transmission need, supports PNM's ability to provide reliable service and integrate selected generation resources, and provides customer and system benefits. The Project does not unnecessarily duplicate existing or planned transmission facilities and, based on the alternatives evaluated and the supported Project-cost estimate, will not result in economic waste. Accordingly, the Project satisfies the public-convenience-and-necessity considerations identified in NMSA 1978, Section 62-9-6 and is in the public interest. The supporting testimony also addresses cost, feasible alternatives, environmental and cultural impacts, stakeholder outreach, and the matters identified by the Commission in Case No. 2382.

12. Section 62-9-3 (the "Location Statute") and 17.9.592 NMAC require Commission approval because the Project includes facilities designed to operate at 345 kV and will be constructed in connection with and to transmit electricity from new generation facilities designed for or capable of operation at more than 300 MW.

13. PNM requests approval to locate the Project within the approximately one-mile-wide Transmission Study Corridor depicted in the supporting exhibits. PNM also requests reasonable authority to refine the final alignment within the environmentally studied corridor as engineering, environmental surveys, land negotiations, permitting, and micrositing advance, subject to applicable Commission notice, reporting, review, and compliance requirements.

14. The Application, testimony, and exhibits provide the information required by 17.9.592.10 NMAC, including the Project description and maps; route and total line length; land ownership and crossing information; interconnection facilities and schematic; applicable land-use requirements; environmental review; anticipated environmental and land authorizations; expected online date; proof of required service; and testimony addressing important environmental values and power-system reliability.

15. The proposed location will not unduly impair important environmental values, and operation of the Project will not unduly impair power-system reliability. The Environmental Report evaluates the resource areas identified by statute and rule, and the Project will implement applicable best management practices, protection measures, avoidance and minimization measures, permit conditions, and discovery protocols.

16. Section 62-9-3.2 (the "ROW Statute") requires a utility to obtain a Commission determination of the necessary ROW width when the proposed width is greater than 100 feet, unless otherwise agreed by the parties. PNM requests a determination that a 200-foot ROW width is necessary to construct, operate, and maintain the Project safely and reliably. For portions of the Project that will be co-located with the existing 115 kV line, the requested 200-foot ROW consists

of the existing 50-foot ROW together with an additional 150-foot ROW necessary for construction of the new co-located facilities adjacent to the existing energized line.

17. The ROW Statute requires a final decision within six months after filing.

18. The requested ROW width is supported by engineering, land, environmental, and routing evidence addressing structure configuration, conductor clearances and blowout, access, construction, operation and maintenance, reliability, safety, electric and magnetic fields, noise, corona effects, and co-location with existing facilities.

19. The proposed route is approximately 102.8 miles long and crosses private lands, as well as lands managed by the New Mexico State Land Office, Cibola National Forest, Bureau of Land Management, Middle Rio Grande Conservancy District, New Mexico Department of Wildlife, and New Mexico Department of Transportation. Final crossing distances will be established from the final Environmental Report, routing study, cadastral survey, and detailed design. PNM has begun ROW and easement coordination and will obtain required land rights and governmental authorizations before construction.

20. Acquisition of the constructed transmission line from Mid-State Transmission LLC is not unlawful, nor is it inconsistent with the public interest, therefore, pursuant to NMSA 1978, Section 62-6-13, it should be approved.

21. PNM is not requesting present cost recovery, a final jurisdictional allocation, a retail customer-class allocation, or specific ratemaking treatment. These matters will be addressed in an appropriate future proceeding based on the Project's actual in-service costs and the governing allocation methodologies.

II. NOTICE AND PROCEDURAL MATTERS

1. PNM's proposed form of Notice is attached to the Application as Attachment 1. PNM will publish and provide the approved Notice in the manner directed by the Commission.

2. PNM has served a copy of this Application and supporting pre-filed direct testimony on the New Mexico Department of Justice, the Commission's Utility Division Staff, parties to Case No. 24-00089-UT (PNM's most recent general rate case) and Docket No. 26-0000114 (PNM's 2029-2032 Resource Case). PNM will complete service in accordance with applicable Commission requirements, including service on the appropriate local authorities for the location control request, as well as the New Mexico Environment Department, and the New Mexico Office of the State Engineer. PNM will also provide the notice required by NMSA 1978, Section 62-9-3.2(D) to owners, and occupants where applicable, of property proposed to be taken.

3. Because Sections 62-9-3(K)(1) and 62-9-3.2(F) establish different final-order deadlines, PNM respectfully requests a procedural schedule that reasonably permits a final order on the ROW request within six months and no later than nine months for the CCN and location requests. If necessary to preserve the governing deadlines, PNM requests that the Commission bifurcate the procedural schedules for requests with different statutory approval deadlines while maintaining a coordinated evidentiary record.

4. A Final Commission Order on the CCN and location requests within the applicable nine-month statutory period, together with a timely ROW-width determination, will support the planned end-of-2029 energization date and reduce the risk of delays and related contractual impacts under the DCA.

5. The following designated corporate representatives and legal counsel for PNM should receive all notices, discovery requests, objections and responses, briefs, and other documents related to this case:

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All pleadings, correspondence, and other documents should also be delivered electronically to Laura Maestas at laura.maestas@pnm.com and the PNM Regulatory Department at pnmregulatory@pnm.com.

WHEREFORE, PNM respectfully requests that the Commission issue notice of this proceeding, conduct all necessary hearings in accordance with the applicable statutory deadlines, and approve the Application. PNM further requests that the Commission determine that:

A) PNM's construction, ownership, and operation of the Mid-State 345 kV Transmission Project is reasonably necessary to provide reliable service, support identified resource and load needs, provide a net public benefit, and serve the public interest, and therefore a CCN should be granted pursuant to the CCN Statute;

B) The proposed location of the Project within the Transmission Study Corridor satisfies NMSA 1978, Section 62-9-3 and 17.9.592 NMAC, will not unduly impair important environmental values, and operation of the Project will not unduly impair power-system reliability;

C) A 200-foot ROW width is necessary to construct, operate, and maintain the Project;

D) PNM's acquisition of the transmission line from Mid-State Transmission LLC once constructed is expressly authorized pursuant to NMSA 1978, Section 62-6-12(A)(4);

E) Any ratemaking principles, cost recovery, jurisdictional allocation, and customer-class allocation matters are deferred to a future appropriate proceeding; and

F) PNM should receive any other authorization or relief necessary to implement the Project in accordance with the PUA and applicable Commission rules.

Respectfully submitted this 30th day of October 2026.

PUBLIC SERVICE COMPANY OF NEW MEXICO

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