BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S FIRST ANNUAL GRID MODERNIZATION RECONCILIATION FILING PURSUANT TO THE COMMISSION'S FINAL ORDER	)	**Docket No. 26-00000__**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant.	)	

DIRECT TESTIMONY

OF

JONATHAN C. HAWKINS

March 2, 2026

NMPRC DOCKET NO. 26-00000___
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JONATHAN C. HAWKINS

WITNESS FOR
PUBLIC SERVICE PNM OF NEW MEXICO

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Affidavit

DIRECT TESTIMONY
OF JONATHAN C. HAWKINS
NMPRC DOCKET NO. 26-00000___

I. INTRODUCTION AND PURPOSE

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

A. My name is Jonathan Hawkins. I am the Associate Director of Grid Modernization for Public Service Company of New Mexico ("PNM" or "Company"). My address is 4201 Edith Blvd. NE, Albuquerque, New Mexico 87107. I am testifying on behalf of PNM.

Q. Please describe your educational background and professional experience.

A. My educational background and professional experience are summarized in PNM Exhibit JCH-1

Q. Please describe your duties and responsibilities as Associate Director of Grid Modernization.

A. I am responsible for leading the strategic implementation of a variety of technology and operations capability to modernize PNM's energy grid.

Q. Please describe the purpose of your testimony.

A. The purpose of this testimony is to describe the year one costs placed in service.

Q. What other PNM witnesses will be providing testimony as part of this filing?

A. There are two additional witnesses providing testimony on behalf of PNM in this matter:

- Reina Gutierrez, Senior Manager of Cost of Service, will discuss and present the grid modernization year one actual revenue requirement.
- Heidi Pitts, Ph.D., Principal Pricing Analyst, will discuss and present the year one Rider 60 Grid Modernization rider ("Rider 60").

II. Filing Overview

Q. What is the purpose of this filing?

A. The purpose of this filing is to describe the year one costs placed in service and seek approval to recover those costs in Rider 60 at the cost described in PNM witness Dr. Pitts' testimony.

Q. What is PNM considering year one of its Grid Modernization Program?

A. The Commission provided its final order on the PNM Grid Modernization Application filing in Docket No. 22-00058-UT on October 18, 2024. PNM considers year one to be the time from this approval through the end of calendar year 2025 for capital clearings associated with the Grid Modernization program and calendar year 2025 for any Operations and Maintenance expenditures within the program.

III. Year One Cost Changes

Q. What is the difference between the approved year one capital clearings in Docket No. 22-00058-UT and the year one actual capital clearings?

A. The capital clearings for year one were approximately $15.02M greater than the forecast contained in Docket No. 22-00058-UT. Please note that this is actually an approximately $3.25M reduction from the year one capital clearings included in the revised forecast provided in PNM's first annual review filing (Docket: 25-00049-UT).

Please refer to PNM Exhibit JCH-2 for a comparison of actual capital clearings compared to the forecasts contained in both Docket No. 22-00058-UT and Docket No. 25-00049-UT.

Q. What is the difference between the approved year one O&M expense in Docket No. 22-00058-UT and the year one actual O&M costs?

A. The O&M costs for year one were approximately $3.50M less than the forecast contained in Docket No. 22-00058-UT.

Please refer to PNM Exhibit JCH-3 for a comparison of actual O&M costs to the forecasts contained in both Docket No. 22-00058-UT and Docket No. 25-00049-UT.

Q. Please explain the drivers for the variance in capital clearings by program.

A. An overall $15.02M increase in capital clearings compared to the forecast used in Docket No. 22-00058-UT was driven by:

AMI Program Capital Clearings:

At the time of the application in Docket No. 22-00058-UT, year one Advanced Metering capital clearings were limited to deployment of PNM AMI Access Point Installations because year one was originally considered more of a planning year with limited progress on assets going into service.

As the team refined our planning in early 2025, the revised forecast submitted in PNM's first annual review filing (Docket No. 25-00049-UT) captured approximately $16.8M of the software solution (e.g., Meter Head End, MDMS, Initial Project Costs) would be used and useful in year one to support further development and testing of the end-to-end system in year two (e.g., MDM System Integration / CIS Enhancements). This was largely an overall acceleration of capital clearings that was forecast in the application in Docket No. 22-00058-UT – **not** a net increase in project cost.

This increase in year one capital clearings was partially offset by the reallocation of approximately $0.70M of year one Head End / MDMS SaaS Costs from capital to O&M, in alignment with the Final Order in Docket No. 25-00049-UT.

Distribution Automation Program Capital Clearings:

At the time of the application in Docket No. 22-00058-UT, year one Distribution Automation ("DA") capital clearings were expected to include about half of the DA Mesh Repeater network, equivalent to approximately $4.15M.

As the team refined our planning in early 2025, the revised forecast submitted in PNM's first annual review filing (Docket No. 25-00049-UT) included pushing out all of those year one capital clearings due to program start-up and planning timing. DA capital clearings were re-forecast to year two with minor refinements across the six-year program for the preparatory work expected to be conducted in years one and two.

Telecommunications Program Capital Clearings:

At the time of the application in Docket No. 22-00058-UT, year one Telecommunications capital clearings were expected to include a total of about $0.18M across the DA NAN Bridge and DA NAN Bridge Loads Calc investments areas.

As the team refined our planning in early 2025, the revised forecast submitted in PNM's first annual review filing (Docket No. 25-00049-UT) included an increase of approximately $2.74M for the Wide Area Network (WAN) Dense Wavelength Division Multiplexing (DWDM) Conversion acceleration (which was largely offset by decreases in later years).

Data Management & Architecture Program Capital Clearings

At the time of the application in Docket No. 22-00058-UT, year one Data Management & Architecture capital clearings included approximately $2.86M for investments in the TIBCO middleware service bus. These investments largely

occurred as planned, with a non-material variance to the forecast in Docket No. 22-00058-UT.

As the team refined our planning in early 2025, we initially believed that there would be approximately $2.07M of additional work needed in year one to deliver an additional Operational Technology (OT) service bus in year one, which was included in PNM's first annual review filing (Docket No. 25-00049-UT). Ultimately the decision was made to push out some of the TIBCO investments to the later years of the program, leading to an approximately $2.47M reduction in year one clearings compared to Docket No. 25-00049-UT.

Q. Please explain the drivers for the variance in O&M costs by program.

A. Overall, the Grid Modernization program saw a year one O&M cost decrease of $3.50M compared to the forecast used in Docket No. 22-00058-UT.

AMI Program O&M:

- Overall O&M decrease of approximately $3.33M compared to the forecast used in Docket No. 22-00058-UT was driven by:
    - External communications for the AMI program to more closely align with deployment
    - Internal meter reader retraining costs delayed to more closely align with deployment

- Some internal labor costs to more closely align with the AMI meter deployment.
- These underspends are partially offset by the reallocation of approximately $0.70M of year one Head End / MDMS SaaS Costs from capital to O&M, in alignment with the Final Order in Docket No. 25-00049-UT.
- Against the revised forecast in Docket No. 25-00049-UT, the AMI program underspent year one O&M by approximately $1.18M.

Data Management & Architecture, Distribution Planning & Engineering, and Telecommunications O&M:

- Overall O&M decrease of approximately $1.73M across the Data Management & Architecture, Distribution Planning & Engineering, and Telecommunications programs compared to the forecast used in Docket No. 22-00058-UT was driven by underspends in year one internal labor costs.

Customer Information & Analytics

- Overall O&M increase of approximately $0.84M compared to the forecast used in Docket No. 22-00058-UT was driven by:
    - At the time of the Grid Modernization application in Docket No. 22-00058-UT, work on the Customer Energy Management Platform (CEMP) and Mobile App was not expected to begin in earnest until year two.

- When PNM submitted its revised forecast in its first annual review filing in Docket No. 25-00049-UT, PNM forecast an increase of approximately $1.15M of year one O&M to fund the license payments for the CEMP and Mobile App in year one, to allow the work to begin earlier, and thus accelerate the delivery of customer-facing benefits.
- Against the revised forecast in Docket No. 25-00049-UT, the Customer Information & Analytics program underspent year one O&M by approximately $0.31M.

ADMS and Program Oversight O&M:

- Overall O&M increase of approximately $0.73M across ADMS and Program Oversight programs compared to the forecast used in Docket No. 22-00058-UT was driven by the combined partially offsetting impacts of:
  - Underspends on year one internal labor.
  - At the time of the Grid Modernization application in Docket No. 22-00058-UT, year one ADMS business process change management and business requirements pre-work was estimated to be approximately $0.82M, and the total O&M forecast for Program Oversight was approximately $1.18M, a combined total of approximately $2.00M.
  - When PNM submitted its revised forecast in its first annual review filing in Docket No. 25-00049-UT, PNM forecast reallocating approximately $0.69M of O&M from ADMS and

\$0.17M from AMI to year one Program Oversight, bringing the total revised forecast for year one Program Oversight O&M to approximately \$2.05M. This net neutral cost reallocation between year one Grid Modernization programs was made to support the centralized execution of business process, change management, and provides subject matter experts to support PNM as necessary.

- Compared to the revised forecast in Docket No. 25-00049-UT, the combined ADMS and Program Oversight programs overspent year one O&M by \$0.56M. This remaining overspend was driven by higher than expected costs for subject matter experts to support program start-up and planning.

IV. CONCLUSION

Q. Please summarize the main points of your testimony.

A. Overall, compared to the original forecast in Docket No. 22-00058-UT, the Grid Modernization program underspent O&M by approximately \$3.50M and exceeded capital clearings by approximately \$15.02M. The increase in capital clearings largely stemmed from the revised understanding that the AMI software solution would be used and useful in year one, which was a major facet of the updated forecast PNM provided in Docket No. 25-00049-UT.

When the year one results are compared to the revised forecast in Docket No. 25-00049-UT, which costs were granted a rebuttable presumption of reasonableness,[1] the Grid Modernization program underspent O&M by $2.67M and reduced year one capital clearings by approximately $3.25M. The reduction in cost was primarily due to pushing out some activities to better align with the start of meter deployment, reductions in year one internal labor, and the decision to delay some enterprise service bus work.

Q. Does this conclude your direct testimony?

A. Yes.

GCG#534889

[1] Docket No. 25-00049-UT, Final Order at Decretal Paragraph (D) (Feb 26, 2026) ("PNM is GRANTED a rebuttable presumption of reasonableness for its approved year two Grid Mod Plan costs consistent with the findings and conclusions of this Final Order.").

Jonathan C. Hawkins Resume

PNM Exhibit JCH-1

Is contained in the following 4 pages.

Jonathan Hawkins
414 Silver Ave., SW
Albuquerque, NM 87102
(505) 241-2189
Jon.hawkins@txnmenergy.com

EDUCATION: **University of New Mexico, Albuquerque, New Mexico**
Bachelor of Science in Electrical Engineering – December, 1994

EXPERIENCE:

June 2025-present **PNM**, Albuquerque, NM *Associate Director, Grid Modernization*

Mar. 2010 – June 2025 **PNMR Services Company**, Albuquerque, NM. *Associate Director, Innovation and Communication*

Manage a team that monitors technology trends and provides cross functional technical support for emerging technologies in energy generation and delivery, including areas such as integration of renewable energy systems, energy storage, and smart grid technologies

Demonstrated history of employee development with employees earning advanced degrees, three Innovation Awards as presented by PNMR Board of Directors, and promotions internal and external to PNMR

Managed multi-million dollar operational and capital budgets associated with multiple departments

Led technical development and delivery of foundational and transformational technology projects at PNMR. Examples of projects include energy storage technology, microgrid integration, electric vehicle infrastructure development, advanced metering, secure substation remote access, physical security, and various projects to facilitate NERC Critical Infrastructure Protection (CIP) compliance

Led and participated in technical aspects of energy storage and microgrid projects earning national or international recognition including finalist for Platts Global Energy Award in Sustainable Innovation, runner up for POWERGRID International Renewable/Grid Integration Project of the Year, runner up for International Energy Agency (IEA) International Smart Grid Action Network (ISGAN) award, personally named 50 Smart Grid Pioneers by Smart Grid Today, and earned a Robert Price Innovation Award awarded by the PNMR Board of Directors

Participation as a technical expert for PNM in the PRC led revision of the New Mexico Interconnection Manual, the State of New Mexico's Grid Modernization Roadmapping effort and Energy Storage working group

Developed or participated in development of multiple applications for government grants with many securing funding, including a $2.3M grant for a renewables with energy storage project

Co-developer of the cyber security plan to comply with DOE requirements for an energy storage project

Authored or co-authored twelve peer-reviewed technical publications in magazines or scientific journals on energy storage and electric vehicle integration (publication list available on request)

Earned U.S Patent (U.S. Patent Number 9,692,234) “Systems and Methods for Distributing Power Using Photovoltaic Resources and a Shifting Battery System”

Invited reviewer for Department of Energy for the DOE Sunshot Program, National Science Foundation (NSF), and Small Business Innovation Research (SBIR)/Small Business Technology Transfer Research (STTR) for funding opportunities reviewing renewable energy and storage grant applications

Developed or participated in development of multiple applications for funding by the U.S Department of Energy and National Science Foundation. Multiple applications were chosen for funding where I led the projects both in terms of technical project activities as well as governmental compliance and reporting requirements

Collaboration with Japanese Government organization (NEDO) and Japanese vendors on smart grid projects in New Mexico

Led and facilitated use case workshops with multiple Japanese organizations to document and specify desired capabilities of the New Mexico smart grid projects done by NEDO. The use cases were published internationally, were promoted by NEDO as a key project success of the local micro grid project and served as foundational use cases for both the IEEE P2030.7 working group efforts for micro grids as well as in the Smart Grid Interoperability Panel (SGIP) Micro grid Domain Expert Working Group

Member of external advisory board for a Sandia National Laboratories Grand Challenge project which won an R&D100 award as an innovative solar technology

Frequent public speaker at industry conferences and local requests on topics such as energy storage, renewable energy, utility industry technology trends, IT/OT convergence, energy storage control architecture, and electric network model management

Participation in and collaboration with multiple industry standards organizations, working groups, and research organizations such as IEEE, Smart Grid Interoperability Panel, Western Energy Institute, Edison Electric Institute, Rocky Mountain Institute, Santa Fe Institute, the Electric Power Research Institute (EPRI), the State of New Mexico, multiple universities across the United States and national laboratories such as National Renewable Energy Laboratory (NREL), Idaho National Laboratory, Los Alamos National Laboratory and established a formal Cooperative Research and Development Agreement (CRADA) with Sandia National Laboratories

Manage the PNMR research and development contract with the Electric Power Research Institute (EPRI). Advisor to EPRI for programs on integration of distributed renewables, Enterprise Architecture, Cyber Security, Smart Grid Demonstration Project, Electrification Initiative, Energy Storage Integration Council (ESIC), Sector Council member for EPRI Information and Communication Technology, and former member of Research Advisory Committee (RAC)

Manage a team responsible for telecommunications, fiber optic facilities, networking and cyber security activities including NERC Critical Infrastructure Protection (CIP) compliance

Part of PNMR technology road mapping efforts serving various internal business needs including benchmarking other utility approaches

Involved in PNMR's Enterprise Risk Management program specifically addressing and providing strategic industry information on new technologies and effects to business transformation

Support Public Policy Organization for regulatory and policy needs and communication with respect to technology initiatives including support for internal and external Economic Development organizations.

Formerly PNMR's voting member to the Smart Grid Interoperability Panel (SGIP) and participant in multiple Domain Expert Working Groups (DEWGs) and Priority Action Plans (PAPs)

2002 – 2010 **Public Service Company of New Mexico (PNM).** Albuquerque, NM. *Manager, Electric Distribution Standards (Sept. 2002 to Mar. 2010), Manager Electric and Gas Standards and Technical Training (Sept. 2002 to Mar. 2004), Project Manager (Mar. 2002 – Sept. 2002)*

Managed a department that drove policies and was responsible for technical approval of all new materials, material changes and design standards used in building and maintaining electric distribution, gas distribution and gas transmission infrastructure. The department was also responsible for management of the Joint Use department responsible for co-location of electric and communication infrastructure

Managed relationships with vendors and participated in contract negotiations on multi-million-dollar, enterprise-wide contracts for electric utility equipment

Led teams to analyze business processes using Root Cause Analysis, Lean, and Six Sigma techniques

Led teams to analyze best practices and potential synergies with regard to the acquisition and integration of a utility acquired by PNMR

Responsible for managing all technical training for gas field personnel (54 classes in the syllabus), material training for electric personnel, and the Distribution Engineering Mentorship Program

Responsible for implementation and administration of Natural Gas Operator Qualification program to meet auditable Department of Transportation (DOT) regulations

Project management related to construction and maintenance on electric distribution substations throughout the state including obtaining permits, materials, and scheduling crews

1997 - 2002 **Sumitomo Sitix Silicon.** Albuquerque, NM. *Senior Quality Engineer (2000-2002), Quality Engineer II (1998-2000), Quality Engineer I (1997-1998), Production Supervisor (1994-1997)*

Quality Engineer responsible for expansion, operation, and analysis of results obtained in the plant's semiconductor material characterization laboratory. Also, process owner for multiple sets of semiconductor metrology equipment and fabrication processes throughout the plant

Process designer for aspects of ISO 9002, QS 9000, and ISO 14001 processes and active participant in initial certification and follow up surveillance audits

Continuing education courses in advanced statistical process control and Design of Experiments

Managed a 6:00 PM to 6:00 AM production shift. Responsible for interviewing and hiring a staff of 16 Material Processors during facility start-up. Implemented employee development matrices and provided periodic performance appraisals. Responsible for coordinating resources to meet productivity and on-time delivery requirements. Also, served as Emergency Response Team Incident Commander

ORGANIZATIONS: President of the Board of Directors for New Mexico Math, Engineering, Science Achievement (MESA) 2017, Board member since 2015

Board of Directors for the New Mexico Engineering Foundation (2007-2013) – served as Vice President (two terms), President, and Past President (two terms)

Quality New Mexico Award Examiner auditing New Mexico companies against the Malcolm Baldrige National Quality Award criteria for 14 years. Seven of those years served as a team lead

Member of DNP3 Users Group and IEEE

Current member of Advisory Board for the College of Electrical and Computer Engineering at the University of New Mexico

Current member of New Mexico's State Committee for DOE's Experimental Program to Stimulate competitive Research (EPSCoR)

Certified C Licensed Coach by U.S. Soccer and coach of youth club soccer teams

Grid Modernization Year One – Capital Clearings

PNM Exhibit JCH-2

Is contained in the following 1 page.

PNM Exhibit JCH-2
Grid Modernization Year One - Capital Clearings
($ in millions)

	Forecast Year One	Actuals Year One	Variance Year One
Docket No. 22-00058-UT			
ADMS	$ -	$ -	$ -
Advanced Metering	$ 1.68	$ 18.21	$ 16.52
Customer Information & Analytics	$ -	$ -	$ -
Cybersecurity	$ 0.07	$ -	$ (0.07)
Data Management & Architecture	$ 2.86	$ 2.84	$ (0.03)
Distribution Automation	$ 4.15	$ -	$ (4.15)
Distribution Planning & Engineering	$ -	$ -	$ -
Telecommunications	$ 0.18	$ 2.93	$ 2.74
Total Docket No. 22-00058-UT Capital Clearings	**$ 8.95**	**$ 23.97**	**$ 15.02**
Docket No. 25-00049-UT			
ADMS	$ -	$ -	$ -
Advanced Metering	$ 18.52	$ 18.21	$ (0.32)
Customer Information & Analytics	$ -	$ -	$ -
Cybersecurity	$ 0.08	$ -	$ (0.08)
Data Management & Architecture	$ 5.31	$ 2.84	$ (2.47)
Distribution Automation	$ -	$ -	$ -
Distribution Planning & Engineering	$ -	$ -	$ -
Telecommunications	$ 3.31	$ 2.93	$ (0.38)
Total Docket No. 25-00049-UT Capital Clearings	**$ 27.22**	**$ 23.97**	**$ (3.25)**

Grid Modernization Year One – O&M Costs

PNM Exhibit JCH-3

Is contained in the following 1 page.

PNM Exhibit JCH-3
Grid Modernization Year One - O&M Costs
($ in millions)

	Forecast Year One	Actuals Year One	Variance Year One
Docket No. 22-00058-UT			
ADMS	$ 0.82	$ 0.00	$ (0.82)
Advanced Metering	$ 5.70	$ 2.38	$ (3.33)
Customer Information & Analytics	$ -	$ 0.84	$ 0.84
Cybersecurity	$ -	$ 0.00	$ 0.00
Data Management & Architecture	$ 1.11	$ 0.14	$ (0.97)
Distribution Automation	$ 0.01	$ -	$ (0.01)
Distribution Planning & Engineering	$ 0.38	$ -	$ (0.38)
Telecommunications	$ 0.38	$ 0.00	$ (0.38)
Program Oversight	$ 1.18	$ 2.73	$ 1.55
Total Docket No. 22-00058-UT O&M	**$ 9.59**	**$ 6.09**	**$ (3.50)**
Docket No. 25-00049-UT			
ADMS	$ 0.13	$ 0.00	$ (0.13)
Advanced Metering	$ 3.55	$ 2.38	$ (1.18)
Customer Information & Analytics	$ 1.15	$ 0.84	$ (0.31)
Cybersecurity	$ -	$ 0.00	$ 0.00
Data Management & Architecture	$ 1.11	$ 0.14	$ (0.97)
Distribution Automation	$ 0.01	$ -	$ (0.01)
Distribution Planning & Engineering	$ 0.38	$ -	$ (0.38)
Telecommunications	$ 0.38	$ 0.00	$ (0.38)
Program Oversight	$ 2.05	$ 2.73	$ 0.69
Total Docket No. 25-00049-UT O&M	**$ 8.76**	**$ 6.09**	**$ (2.67)**

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PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant.	)	

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

JONATHAN C. HAWKINS, Associate Director of Grid Modernization, 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 Jonathan C. Hawkins,** and it is true and accurate based on my own personal knowledge and belief. Dated this 2nd day of March, 2026.

/s/ Jonathan C. Hawkins
JONATHAN C. HAWKINS

GCG # 534776