

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) Case No. 25-00___-UT
TROY MERGER SUB INC. WITH TXNM ENERGY, INC.;)
APPROVAL OF A GENERAL DIVERSIFICATION PLAN;)
AND ALL OTHER AUTHORIZATIONS AND)
APPROVALS REQUIRED TO CONSUMMATE AND)
IMPLEMENT THIS TRANSACTION)
)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC,)
)
JOINT APPLICANTS.)

DIRECT TESTIMONY AND EXHIBIT
OF
HEIDI BOYD

August 25, 2025

**NMPRC CASE NO. 25-00 ____-UT
INDEX TO THE DIRECT TESTIMONY OF
HEIDI BOYD**

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JA EXHIBIT HB-1

Résumé of Heidi Boyd

SELF AFFIRMATION

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I. INTRODUCTION AND PURPOSE OF TESTIMONY

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Q. Please state your name and business address.

A. My name is Heidi Boyd. My business address is 100 Wilshire Boulevard, Suite 200, Santa Monica, California 90401.

Q. By whom are you employed?

A. I am employed by Blackstone Inc. (“Blackstone”), a publicly traded investment firm listed on the New York Stock Exchange (NYSE: BX), as a Senior Managing Director. I am a member of the team within Blackstone that focuses primarily on Blackstone Infrastructure’s¹ investments in the utilities and transportation sectors.

Q. Please describe your professional experience and your educational qualifications.

A. Since joining Blackstone in 2018, I have been involved in transactions involving key Blackstone Infrastructure investments, including Northern Indiana Public Service Company (“NIPSCO,” via investment in NIPSCO Holdings II LLC), FirstEnergy Corp. (“FirstEnergy”), Carrix, Inc., and Safe Harbor Marinas. Before joining Blackstone, I worked at Macquarie Infrastructure and Real Assets, where I was involved in transactions across the utility, energy, waste, and transportation sectors. Prior to that, I was a Consultant for the Boston Consulting Group.

¹ Blackstone Infrastructure and other capitalized terms not defined herein have the meanings provided in Application Exhibit F, the 2026 General Diversification Plan filed in this matter.

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1 I received a Bachelor of Arts degree in Science, Technology and Society from
2 Stanford University. In addition, I received a Master of Business Administration
3 degree from Harvard Business School. A copy of my resume is attached to this
4 testimony as JA Exhibit HB-1.

5

6 **Q. On whose behalf are you submitting this testimony?**

7 **A.** I am submitting testimony on behalf of Troy ParentCo LLC (“Troy”), and I am
8 familiar with and provide information about Blackstone Infrastructure and the role
9 that it will play in the future ownership structure of Public Service Company of
10 New Mexico (“PNM”) if the transaction proposed in this case (the “Acquisition”)
11 is approved.

12

13 **Q. Before going further, please identify what you mean when you use the terms**
14 **“Troy” and “Blackstone Infrastructure” in this testimony.**

15 **A.** Mr. Sherman identifies Blackstone Infrastructure in his testimony at page 4. I will
16 not repeat that testimony, but will note that as Mr. Sherman testifies, upon
17 consummation of the Acquisition, TXNM Energy, Inc. (“TXNM”) will become a
18 direct wholly owned and controlled subsidiary of Troy, which will be owned and
19 controlled by Blackstone Infrastructure, as that term is defined.

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II. OVERVIEW OF TESTIMONY

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Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support the application filed by Troy, TXNM and PNM (the “Joint Applicants”) requesting approval of the Acquisition from the New Mexico Public Regulation Commission (“Commission”). In my testimony, I explain the benefits of the Acquisition and why it is consistent with the public interest.

Q. How is the rest of your testimony organized?

A. In Section III of my testimony, I summarize my involvement in the Acquisition and discuss the mechanics of the Acquisition.

In Section IV, I describe the tangible and quantifiable benefits that will accrue to customers in the PNM service area as a result of the Acquisition. I also describe the Regulatory Commitments that the Joint Applicants will undertake to ensure that PNM is ring-fenced in a way that protects customers, that PNM remains responsive to the Commission and to the needs of its customers, and that the Joint Applicants comply with the Commission’s affiliate rules.

Finally, in Section V, I summarize my testimony and specify the relief that the Joint Applicants are seeking from the Commission.

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1 **Q. Are you sponsoring any exhibits to your testimony?**

2 **A.** Yes. In addition to my resume, attached to my direct testimony as JA Exhibit HB-
3 1, I also co-sponsor Application Exhibit A (Corporate structure charts), Application
4 Exhibit B (Regulatory Commitments), and Application Exhibit E (Agreement and
5 Plan of Merger).

6

7 **III. SUMMARY OF THE ACQUISITION**

8

9 **Q. Do you have personal knowledge of the events that led to the agreements**
10 **underlying the Acquisition?**

11 **A.** Yes. I was personally involved in the preparation and submission of the bid that
12 Blackstone Infrastructure made for acquisition of TXNM. I was also involved in
13 the subsequent negotiations that culminated in execution of the “Agreement and
14 Plan of Merger, dated as of May 18, 2025, by and among Troy Parent, Troy Merger
15 Sub Inc. (“Troy Merger Sub”), and TXNM Energy, Inc.” (the “Merger
16 Agreement”). The Merger Agreement is Exhibit E to the Application.

17

18 **Q. Please describe the Acquisition.**

19 **A.** Under the terms of the Merger Agreement, Troy will acquire TXNM for \$61.25 per
20 share in cash, which represents a 23% premium over TXNM’s unaffected 30-day
21 volume weighted average price as of March 5, 2025, the day before the press
22 reported the potential for an acquisition of TXNM. That share price reflects a net
23 enterprise value of approximately \$11.5 billion, including debt and preferred stock.

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1 The specific details of the Acquisition structure are described further below in my
2 testimony.

3

4 **Q. How will Troy’s financing plans support the credit quality and financial**
5 **strength of TXNM and its utility subsidiaries?**

6 **A.** Troy intends to finance the Acquisition with only equity and the assumption or
7 refinancing of existing debt. The Acquisition will not cause TXNM or PNM to
8 incur any incremental debt.

9

10 In fact, through Troy, Blackstone Infrastructure has already taken actions that will
11 be supportive of maintaining the existing credit ratings of TXNM and PNM through
12 prudent financial policies. Blackstone Infrastructure fully funded a \$400 million
13 equity issuance by TXNM on June 2, 2025, supported TXNM’s issuance of an
14 additional \$200 million of common equity to investors unaffiliated with Blackstone
15 Infrastructure on June 27, 2025, and has entered into agreements with TXNM that
16 support TXNM’s issuance of an incremental \$325 million of common equity by
17 December 31, 2026. These three equity issuances by TXNM could cumulatively
18 raise \$925 million of equity to reduce indebtedness, fund investments that benefit
19 customers, and are likely to increase TXNM’s share count by approximately
20 18%. The equity issued by TXNM will increase the number of shares outstanding
21 that Blackstone Infrastructure has committed to acquire upon close of the
22 Acquisition, without any Acquisition related debt, and therefore the equity that
23 Blackstone Infrastructure needs to fund at closing including paying a premium over

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1 the price at which the shares that TXNM is issuing to parties other than Blackstone
2 Infrastructure between today’s date and closing of the Acquisition. These equity
3 issuances and Blackstone Infrastructure’s plan to use only equity to fund the
4 Acquisition through Troy clearly demonstrate Blackstone Infrastructure’s
5 commitment to strengthening TXNM’s balance sheet, reducing financial risk and
6 supporting TXNM and PNM’s existing credit ratings.

7

8 **Q. Please describe how the Acquisition will occur if the Joint Applicants receive**
9 **the necessary approvals from this Commission and other regulatory bodies.**

10 **A.** The Merger Agreement, which is Exhibit E to the Application, reflects a plan of
11 merger involving TXNM, Troy, and Troy Merger Sub (a wholly owned subsidiary
12 of Troy). Upon receipt of the last of the necessary governmental approvals, Troy
13 Merger Sub will be merged with and into TXNM, and the separate corporate
14 existence of Troy Merger Sub will cease. As the surviving corporation, TXNM
15 will be a direct subsidiary of Troy and thus indirectly controlled and owned by
16 Blackstone Infrastructure.² At that time, all persons and entities that were TXNM
17 shareholders as of May 18, 2025, will be able to redeem their stock at the price of
18 \$61.25 per share.

19

20

21

² Mr. Sherman describes the resulting corporate structure in more detail in his testimony.

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IV. BENEFITS AND REGULATORY COMMITMENTS

Q. What are the benefits and regulatory commitments of this Acquisition?

A. Exhibit B to the Application is a list of the regulatory commitments outlining the benefits and protections that the Joint Applicants are offering to undertake if the Commission approves the Acquisition (“Regulatory Commitments”). In his testimony, Mr. Monroy discusses in detail these Regulatory Commitments from his perspective as an officer of PNM. Here, I will highlight certain important commitments made by the Joint Applicants from the perspective of Troy and the associated benefits.

I will first discuss the Joint Applicants’ commitments that will bring tangible and quantifiable benefits to PNM customers if the Commission approves the Acquisition. I will then discuss the significant Regulatory Commitments that the Joint Applicants are offering with respect to, among other things, governance, financial protections, regulatory jurisdiction, and local control and management of PNM.

At a high level, our goal is to present a package that leaves customers in a better position than they would be without this Acquisition from the following perspectives: (i) customer financial wellbeing (which we address through direct rate credits, low income assistance, economic development commitments, and commitments to non-recovery of transaction costs); (ii) quality of the PNM electric

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1 grid (supported by energy transition and innovation commitments, and equity
2 commitment to fund business plan); and (iii) financial stability for PNM (supported
3 by various financial ringfencing commitments and delegation of authority to the
4 local PNM Board).

5

6 **A. Tangible and Quantifiable Benefits**

7 **Q. Please identify the quantifiable and tangible benefits to PNM’s customers if**
8 **this Acquisition is approved.**

9 **A.** The Joint Applicants are offering a number of tangible and quantifiable benefits for
10 PNM’s customers and its service area. First, the Joint Applicants, solely at
11 shareholder expense, will provide a direct financial benefit to customers in the form
12 of a rate credit of \$105 million over four years. Mr. Monroy details PNM’s plans
13 for allocation of these rate credits. As he describes, the Joint Applicants propose
14 that these rate credits will begin shortly after the Acquisition is approved and
15 consummated.

16

17 **Q. Are the Joint Applicants offering any other tangible and quantifiable benefits**
18 **to PNM’s customers in the form of economic development contributions?**

19 **A.** Yes. Joint Applicants will, solely at shareholder expense, contribute \$60 million in
20 innovative or emerging technology investments and economic development funds

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1 over a period of 10 years.³ These contributions are planned to be broken down as
2 follows.

3
4 First, Troy will contribute through TXNM, at no cost to customers, \$25 million to
5 be provided within 10 years for utility infrastructure development project(s) for
6 innovative or emergent resource technology, such as long-duration energy storage,
7 geothermal resources or virtual power plant infrastructure funding for utility-
8 controlled demand management. If pilot project(s) are not selected or approved,
9 monies will be used to offset customer costs of the Grid Mod rate rider. This
10 contribution will directly benefit customers by helping to offset the costs of
11 developing and implementing cutting-edge resources used to serve customers,
12 which costs otherwise may be included in rate base. This is meant to foster the
13 pursuit of innovative and emergent technology pilot projects that can facilitate the
14 energy transition occurring in New Mexico.

15
16 Second, Troy, through TXNM, will contribute \$35 million in economic
17 development funds over 10 years to fund one or more of the following: job training,
18 apprenticeships, or scholarships in utility-related areas of industry, and funding to
19 enable large-impact economic development initiatives for New Mexico.

20

³ Regulatory Commitment Nos. 2, 4.

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1 Blackstone Infrastructure supports the view that a strong educational pipeline from
2 secondary education through college level or apprenticeship programs is vital to
3 sustaining a strong New Mexico work force that is attractive to businesses seeking
4 new opportunities and locations.

5
6 In addition, this commitment can provide funding to help drive economic
7 development in New Mexico through targeted financial support that builds on
8 existing economic development initiatives in our service areas. Blackstone
9 Infrastructure’s long-term investment horizon and access to perpetual capital
10 (meaning that there is no specific end-date for the fund or any fund investment, and
11 that we have the flexibility to continue raising money and investing in businesses
12 indefinitely) allows us to become a part of the local community. By supporting
13 economic development, we are not only focused on the short-term benefits, but also
14 long-term growth through attracting businesses and investors to New Mexico.

15

16 **Q. Are the Joint Applicants offering any additional contributions to PNM’s Good**
17 **Neighbor Fund?**

18 **A.** Yes. Troy, through TXNM, solely at shareholder expense, will provide \$1 million
19 annually, over a 10-year period, to PNM’s Good Neighbor Fund, with the initial
20 funding beginning after approval of the Acquisition, and then subsequently each
21 year thereafter. The Good Neighbor Fund is supported by customer and employee
22 donations as well as PNM shareholders and is used to assist low-income customers
23 who are behind on their bills. This additional annual contribution for the 10-year

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1 period will enable PNM to provide approximately three times the average annual
2 funding previously made available to the Good Neighbor Fund. Mr. Monroy details
3 in his testimony some of the impacts this contribution could have.

4

5 **Q. What is the significance of these contributions to the evaluation of this case.**

6 **A.** Collectively, these contributions provide financial benefits to PNM’s customers, to the
7 communities served by PNM, and to New Mexico. These contributions help establish
8 that the Acquisition is in the public interest and will directly benefit PNM’s customers.
9 Further, because the customer credits, the contributions toward innovative technologies
10 and economic development, and the charitable organization contributions will be
11 excluded from ratemaking, these commitments will not have any negative impact on
12 customer rates.

13

14 **B. Non-Monetary Regulatory Commitments**

15 **Q. Please discuss the non-monetary Regulatory Commitments the Joint**
16 **Applicants are making.**

17 **A.** Joint Applicants commit to a significant number of Regulatory Commitments to
18 protect the ratepayers of PNM. In the following section, I identify the Regulatory
19 Commitments and explain the reasoning from Troy’s (and the broader Blackstone
20 Infrastructure’s) point of view for these commitments. Mr. Monroy also discusses
21 these Regulatory Commitments in his testimony, including PNM’s anticipated
22 implementation of many of the specific commitments.

23

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1 will continue to have day-to-day control over operation of PNM.⁶ This commitment is
2 intended to support the ongoing interaction between PNM's local leadership and the
3 community leadership that is the foundation of effective provision of utility service.

4
5 Additionally, to provide local operational continuity, Joint Applicants' commit that for at
6 least three years post-closing, PNM will not implement any involuntary workforce
7 reductions (other than for cause or performance) or reductions in wages or benefits,⁷ and
8 that PNM will continue to honor PNM's labor contracts with the International
9 Brotherhood of Electrical Workers.⁸ This commitment extends by 12 months the
10 initial 24 month commitment contained in the Merger Agreement, Exhibit E to the
11 Application.

12
13 **Q. Please explain why these commitments are important to Blackstone**
14 **Infrastructure.**

15 **A.** Blackstone Infrastructure's model of investing is to invest in well-run companies and then
16 provide those companies with the resources they need to flourish. When the portfolio
17 company does well, its customers do well, and Blackstone Infrastructure investors
18 receive a return on their investment. For these reasons, committing to continued local
19 control of PNM is a critical part of Troy's investment in PNM.

⁶ Regulatory Commitment No. 32.

⁷ Regulatory Commitment No. 34.

⁸ Regulatory Commitment No. 35.

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1 **Q. Are the Joint Applicants proposing any other regulatory commitments that**
2 **preserve the Commission’s ability to oversee the operations of PNM?**

3 **A.** Yes. In the Regulatory Commitments, the Joint Applicants have committed that
4 the Commission will continue to have access to PNM’s and relevant affiliates’
5 books and records as needed to review affiliate transactions.

6

7 **3. Governance and Board Structure Commitments**

8 **Q. Are the Joint Applicants offering any regulatory commitments regarding**
9 **corporate governance and board structure?**

10 **A.** Yes. The Joint Applicants are proposing a number of Regulatory Commitments
11 that prescribe the forms of corporate governance and board structure going forward.
12 These are contained in Regulatory Commitments 6 – 11 in Exhibit B to the
13 Application. These Commitments relate to the post-Acquisition PNM Board of
14 Directors (“PNM Board”) and include provisions addressing the composition of the PNM
15 Board and their duties. These six Regulatory Commitments are intended to formalize the
16 governance and oversight of PNM as a locally governed and managed utility after closing
17 of the Acquisition. Under the proposed governance structure, PNM can remain focused
18 on its financial health and regulated utility business in order to meet customer needs.

19

20 Specifically, PNM will have a seven-member board including: (A) three
21 independent directors (i) who meet New York Stock Exchange independence
22 standards and (ii) at least two of which will be residents of New Mexico; (B) at

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1 least one director with utility executive experience; and (C) the President and CEO
2 of PNM.⁹ The PNM Board will have the duty to act in the best interests of PNM.¹⁰

3

4 **Q. What is the significance of these commitments?**

5 **A.** The PNM Board structure presents the opportunity for significant involvement by
6 directors and by individuals with utility executive experience, including the
7 President and CEO of PNM, members or representatives of Blackstone
8 Infrastructure, and independent board members. While the precise identity of the
9 PNM Board members is not yet known, this board structure supports creation of a
10 community-based and business-knowledgeable board.

11

12 **Q. Do the Regulatory Commitments require that certain types of decisions be the**
13 **sole province of the PNM Board?**

14 **A.** Yes. Regulatory Commitment No. 9 provides that the PNM Board will have
15 decision-making authority over PNM dividend policy, debt issuance, issuance of
16 dividends or other distributions (other than tax distributions), capital expenditures,
17 shared services fees, operation and maintenance expenditures, and appointment or
18 removal of officers.¹¹ These PNM Board decisions cannot be overruled by Troy
19 or any affiliate that controls Troy.¹² These provisions reflect the Joint Applicants'

⁹ Regulatory Commitment No. 6.

¹⁰ Regulatory Commitment No. 8.

¹¹ Regulatory Commitment No. 9.

¹² *Id.*

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1 commitment that important decisions regarding PNM’s day-to-day operations will
2 be made by the PNM Board, not by other entities.

3

4 **Q. Do the Regulatory Commitments impose any limits on dividend distribution by the**
5 **PNM Board?**

6 **A.** Yes. In addition to the authority granted the PNM Board in Regulatory Commitment No.
7 9, Regulatory Commitment Nos. 10, 12, and 13 limit or restrict the PNM Board’s ability
8 to pay dividends. Significantly, Commitment No. 10 provides:

9 A vote of a majority of the independent directors can prevent PNM from making
10 any dividends other than tax distributions, if determined in good faith to be
11 required to meet debt-to-equity commitment. Any amendments or changes to the
12 dividend policy shall be approved by a majority vote of the PNM Board, including
13 the affirmative vote of a majority of the independent directors. A vote of majority
14 of the independent directors of the PNM Board may prevent PNM from making
15 any dividends at any time during the first five years if the PNM Board reduces the
16 capital expenditures below the current five-year plan based on limited equity
17 financing availability.

18 In addition, PNM will not pay dividends, except for tax distributions, if its credit
19 rating is below investment grade (unless otherwise permitted by the
20 Commission),¹³ and will limit its payment of dividends, except for tax distributions,
21 to an amount not to exceed its net income as determined in accordance with GAAP,
22 unless otherwise approved by the commission.¹⁴

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24

25

¹³ Regulatory Commitment No. 12.
¹⁴ Regulatory Commitment No. 13.

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1 **Q. How is the compensation of Independent Board members controlled?**

2 **A.** Regulatory Commitment No. 11 provides that “[t]he compensation for being a
3 PNM director will not be tied to, reflect, or be related to the financial, operating, or
4 other performance of any entity or interest other than PNM. The PNM Board shall
5 have the power to set the compensation and benefits for being a PNM director, in
6 the form and manner it directs, subject to the approval of Troy.”¹⁵ This provision
7 reflects a commitment to retain the independence of the directors by keeping their
8 compensation independent of financial or other performance metrics.

9

10 **Q. Does the proposed PNM Board governance align with implementation of the**
11 **financial protections included in the Regulatory Commitments?**

12 **A.** Yes. The PNM Board structure and governance provisions reinforce the foundational
13 protections agreed to for the financial health of the utility. As noted above, a vote of the
14 majority of the independent directors of the PNM Board (in other words, two of the
15 independent Board members) can prevent PNM from making any dividends, other than
16 tax distributions, if they determine in good faith that suspension of dividend payments is
17 required to meet agreed debt-to-equity commitments.¹⁶ Any amendments or changes to
18 the dividend policy must be approved by a majority vote of the PNM Board, including
19 the affirmative vote of a majority of the independent directors.¹⁷ Further, as described

¹⁵ Regulatory Commitment No. 11.

¹⁶ Regulatory Commitment No. 10. As discussed by Mr. Monroy, PNM’s regulatory capital structure is set by the Commission in its general rate case filings. Currently, PNM’s approved regulatory capital structure is 51% equity, 49% debt. PNM agrees to maintain its regulatory capital structure in alignment with the approved capital structure in its rate cases. PNM would continue to measure its capital structure on a rolling 13-month average.

¹⁷ Regulatory Commitment No. 10.

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1 below, a vote of a majority of the independent directors of the PNM Board may
2 prevent PNM from making any dividends at any time during the first five years if
3 the Board reduces the capital expenditures below the current five-year plan based
4 on limited equity financing availability.¹⁸

5

6 **Q. Please discuss Troy’s Commitment to fund PNM’s 2025-29 capital funding**
7 **budget.**

8 **A.** First, Regulatory Commitment No. 14 provides:

9 PNM will continue to make minimum capital expenditures in an amount
10 equal to PNM’s current 2025 – 2029 capital budget of \$3.4 billion, subject
11 to the following adjustments: PNM may reduce capital spending due to
12 conditions not under PNM’s control, including, without limitation, siting
13 delays, cancellation of projects by third parties, weaker than expected
14 economic conditions, or if PNM determines that a particular expenditure
15 would not be prudent.

16

17 This Commitment No. 14, while subject to reasonable flexibility, demonstrates a
18 clear intent by the Joint Applicants to meet the current \$3.4 billion capital budget.

19 Second, Regulatory Commitment No. 10 provides that “[a] vote of a majority of
20 the independent directors of the PNM Board may prevent PNM from making any
21 dividends at any time during the first five years if the PNM Board reduces the
22 capital expenditures below the current five-year plan based on limited equity
23 financing availability.”

24 Taken together, Regulatory Commitments 14 and 10 tie dividends to capital
25 funding, reinforcing the commitment that PNM’s capital budget for the next five

¹⁸ Regulatory Commitment No. 10.

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1 years will be fully funded by Troy. After the first five years, the independent
2 directors will continue to have authority over changes in dividend policy under
3 Regulatory Commitment No. 10.

4 These two commitments provide a framework for Troy and PNM to work together
5 to fund PNM capital expenditures through 2029. Beyond that, as I mentioned
6 above, Blackstone Infrastructure’s philosophy is to fund its portfolio companies so
7 that these companies can succeed.

8

9 **Q. Explain how the proposed PNM Board can help PNM continue to meet and serve**
10 **the needs of its customers.**

11 **A.** The post-Acquisition PNM Board, with three independent directors, two of which are
12 from New Mexico, and with two directors with utility experience (the PNM CEO and one
13 more director), is intended to provide PNM with support to make prudent strategic
14 decisions on behalf of PNM and its customers. The directors from New Mexico can
15 provide a community-based perspective on the issues facing PNM and its customers. The
16 utility-experienced directors, including the PNM CEO and a former executive with
17 experience at another utility, will bring the benefits of utility experience and knowledge.
18 Overall, the proposed PNM Board structure will allow for guidance and input into PNM’s
19 strategic and financial decisions from directors with diverse experience and interests.

20

21 While ultimately local management remains responsible for the operations and strategic
22 initiatives of the company and answers to the Commission for the reasonableness of

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1 PNM’s utility rates and services, the proposed PNM Board is designed to provide a well-
2 rounded view when considering the complexity of issues that PNM faces going forward.

3

4 **4. Financial, Regulatory, Jurisdiction Protections**

5 **Q. Please turn now to the financial and ring-fencing protections that the Joint**
6 **Applicants are proposing in this case. What types of protections are the Joint**
7 **Applicants proposing?**

8 **A.** The Joint Applicants are proposing financial and ring-fencing commitments that
9 enable PNM to operate largely as a standalone entity, thereby avoiding
10 entanglements that could threaten its financial stability. The financial and ring-
11 fencing Regulatory Commitments proposed by the Joint Applicants offer
12 protections that provide financial and regulatory assurances to PNM’s customers.

13

14 **Q. Please describe these protections in greater detail.**

15 **A.** First, as described above, PNM will not pay dividends, except for tax distributions, if its
16 debt rating is below investment grade, and PNM will notify the Commission promptly of
17 any changes to its credit ratings.¹⁹ In addition, PNM will limit its payment of dividends,
18 except for tax distributions, to an amount not to exceed its net income as determined in
19 accordance with GAAP, unless otherwise approved by the Commission.²⁰

20

¹⁹ Regulatory Commitment No. 12.

²⁰ Regulatory Commitment No. 13.

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1 Second, PNM will continue to make minimum capital expenditures in an amount
2 equal to PNM’s current 2025 – 2029 capital budget of \$3.4 billion, subject to the
3 following adjustments: PNM may reduce capital spending due to conditions not
4 under PNM’s control, including, without limitation, siting delays, cancellation of
5 projects by third parties, weaker than expected economic conditions, or if PNM
6 determines that a particular expenditure would not be prudent.²¹

7
8 Third, PNM will maintain standalone credit ratings, registered with at least two (2)
9 organizations registered with the Securities and Exchange Commission (“SEC”).²²
10 Maintaining standalone credit ratings is important to demonstrate to regulators and
11 stakeholders that the financial health of PNM remains strong and able to meet the needs
12 of its customers.

13
14 **Q. Please describe the specific financial and ring-fencing Regulatory**
15 **Commitments that the Joint Applicants are proposing.**

16 **A.** The Joint Applicants are proposing the following financial and ring-fencing
17 Regulatory Commitments:

- 18 • PNM’s sole purpose will be the provision of electric utility service.²³
- 19 • PNM will maintain an identity, name, and logo that is separate and distinct
20 from the identity, name, and logos of Blackstone, Inc. (“Blackstone”) and

²¹ Regulatory Commitment No. 14.

²² Regulatory Commitment No. 25.

²³ Regulatory Commitment No. 17.

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1 its affiliates provided that the Blackstone name and logo can be added to
2 the PNM name and logo for branding purposes.²⁴

3 • PNM will not pledge its assets, stock or revenues for the benefit of any
4 entity other than PNM.²⁵

5 • Aside from PNM's arrangements with TXNM, PNM will not engage in
6 intercompany debt or lending with Troy, or any affiliate that controls Troy,
7 unless authorized by the Commission. Notwithstanding the foregoing, PNM
8 may borrow from Troy or its affiliates on an arm's-length basis if approved
9 by a majority of the independent directors of the PNM Board, and provided
10 further that the Regulatory Commitments do not obligate Troy or any of its
11 affiliates to lend money to PNM or any of its affiliates at any time.²⁶

12 • PNM will not share credit facilities with Troy, or its affiliates, except for
13 joint revolvers where liability is several, not joint, and there are no cross-
14 default provisions applicable to any utility borrower.²⁷

15 • PNM will not commingle funds, assets or cash flows with affiliates, without
16 prior Commission authorization.²⁸

17 • PNM will not include in any of its debt or credit agreements cross-default
18 provisions tied to affiliates. Under no circumstances will debt of PNM
19 become due and payable or rendered in default because of any cross-default,
20 financial covenants, rating agency triggers or similar provisions of any debt

²⁴ Regulatory Commitment No. 18.

²⁵ Regulatory Commitment No. 19.

²⁶ Regulatory Commitment No. 20.

²⁷ Regulatory Commitment No. 21.

²⁸ Regulatory Commitment No. 22.

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1 or other agreements of TXNM, Troy, or any of their affiliates or
2 subsidiaries. Further, PNM’s ability to utilize its credit facility will not be
3 contingent on the financial status, default or credit rating of TXNM, Troy
4 or any of their affiliates or subsidiaries.²⁹

- 5 • PNM will maintain accurate, appropriate, and detailed books, financial
6 records and accounts, including checking and other bank accounts, and
7 custodial and other securities separate and distinct from other entities.³⁰
- 8 • PNM will maintain standalone credit ratings, registered with at least 2
9 organizations registered with the SEC.³¹
- 10 • PNM will not take on any new debt in conjunction with the Acquisition.³²
- 11 • PNM will maintain a minimum equity ratio as set by the Commission in its
12 general rate case filings based on a 13-month rolling average.³³
- 13 • PNM, TXNM and Troy will abide by Commission affiliate standards as
14 they apply to PNM and maintain an arm’s-length relationship with TXNM,
15 Troy and its affiliates, consistent with any variance accepted by the
16 Commission.³⁴
- 17 • PNM will not seek recovery of transaction or transition costs related to the
18 Acquisition from customers in PNM’s rates; transition costs shall not
19 include employee time and labor.³⁵

²⁹ Regulatory Commitment No. 23.
³⁰ Regulatory Commitment No. 24.
³¹ Regulatory Commitment No. 25.
³² Regulatory Commitment No. 26.
³³ Regulatory Commitment No. 27.
³⁴ Regulatory Commitment No. 28.
³⁵ Regulatory Commitment No. 29.

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- 1 • PNM will not seek recovery in rates of any transaction acquisition premium.
2 Any goodwill associated with the Acquisition will not be included in rates,
3 rate base, cost of capital, or operating expenses in future PNM ratemaking
4 proceedings. Write-downs or write-offs of goodwill associated with the
5 Acquisition will not be included in the calculation of net income of PNM
6 for dividend or other distribution payment purposes.³⁶
7

8 **Q. What in your opinion is the significance of these financial and ring-fencing**
9 **Regulatory Commitments?**

10 **A.** Taken as a whole, these financial and ring-fencing provisions protect customers
11 from exposure to risk that any financing or debt-related actions related to TXNM,
12 Troy or its affiliates could lead to a potential change in credit ratings or increase in
13 interest costs or other liabilities at PNM. The ring-fencing measures insulate the
14 utility from incurring non-utility costs or liabilities, so that PNM is not impaired in
15 its ability to serve present and future customers.
16

17 **Q. Do the Regulatory Commitments include provisions acknowledging the jurisdiction**
18 **of the Commission over PNM?**

19 **A.** Yes. Regulatory Commitments Nos. 14 and 15 acknowledge and affirm the Joint
20 Applicants' understanding that Commission jurisdiction over PNM remains unchanged
21 and will not be adversely affected by the Acquisition. PNM will continue to abide and

³⁶ Regulatory Commitment No. 30.

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1 be bound by applicable NMPRC rules, regulations, and orders. In addition, the Joint
2 Applicants hereby expressly acknowledge the Commission’s jurisdiction and
3 authority to initiate a future proceeding to modify any or all of the Regulatory
4 Commitments adopted as part of the final order in this proceeding.³⁷ While not
5 expressed in a commitment, it is understood and agreed that any amendments to these
6 commitments shall require prior Commission approval. Additionally, the Joint
7 Applicants are bound by the Commission’s affiliate standards as they apply to PNM, and
8 PNM will maintain an arm’s-length relationship with TXNM, Troy and Troy’s
9 affiliates.³⁸

10

11 **Q. Are the Joint Applicants proposing any other regulatory commitments that**
12 **preserve the Commission’s ability to oversee the operations of PNM?**

13 **A.** Yes. The Commission will continue to have access to PNM’s and its relevant affiliates’
14 books and records as needed to review affiliate transactions.³⁹

15

16 **Q. Are there also specific regulatory accounting treatment Regulatory Commitments**
17 **to ensure customers do not bear costs associated with the Acquisition?**

18 **A.** Yes. As Mr. Monroy testifies, PNM will not seek recovery in rates of any transaction
19 or transition costs related to the Acquisition from customers in PNM’s rates;
20 transition costs shall not include employee time and labor⁴⁰ or any transaction

³⁷ Regulatory Commitment No. 16.

³⁸ Regulatory Commitment No. 28.

³⁹ Regulatory Commitment No. 24.

⁴⁰ Regulatory Commitment No. 29.

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1 acquisition premium.⁴¹ Any goodwill associated with the Acquisition will not be
2 included in rates, rate base, cost of capital, or operating expenses in future PNM
3 ratemaking proceedings. Write-downs or write-offs of goodwill associated with the
4 Acquisition will not be included in the calculation of net income of PNM for
5 dividend or other distribution payment purposes.⁴²

6

7 **Q. Are the Joint Applicants offering any Regulatory Commitments designed to**
8 **prevent preferential treatment of affiliates?**

9 **A.** Yes. The Joint Applicants are offering the following Regulatory Commitments
10 regarding affiliates:

- 11 • Commission jurisdiction over PNM remains and will not be adversely
12 affected by the Acquisition; and PNM will continue to abide and be
13 bound by existing applicable NMPRC rules, regulations, orders.⁴³
14
15 • Joint Applicants will abide by Commission affiliate standards as they
16 apply to PNM and maintain an arm's-length relationship with TXNM,
17 Troy and its affiliates, consistent with any variance accepted by the
18 Commission.⁴⁴
19

20 **Q. Does Blackstone Infrastructure have any affiliated entities that operate in New**
21 **Mexico?**

22 **A.** Yes. As reflected in Exhibit F to the Application, the 2026 General Diversification
23 Plan filed in this matter, Blackstone Infrastructure holds ownership interests in
24 Invenergy Renewables Holdings LLC (“Invenergy”) and Tallgrass Energy, LP

⁴¹ Regulatory Commitment No. 30.

⁴² *Id.*

⁴³ Regulatory Commitment No. 15.

⁴⁴ Regulatory Commitment No. 28.

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1 (“Tallgrass”), which operate in New Mexico and could potentially be considered
2 affiliates of PNM if the Acquisition closes.

3

4 **Q. Please describe these two entities.**

5 **A.** Invenergy is a power generation development and operations company that
6 develops, builds, owns and operates wind, solar, and natural gas-powered
7 generation and energy storage facilities. In New Mexico, Invenergy developed the
8 Sagamore Wind Project and is currently developing the New Mexico North Path
9 transmission line that will run from northeastern New Mexico to the Four Corners
10 region of northwestern New Mexico.

11

12 Tallgrass is an infrastructure company that operates over 10,000 miles of energy
13 infrastructure assets across 15 states, including New Mexico. Tallgrass operates
14 natural gas pipelines, and gas storage facilities, oil pipeline systems and oil terminal
15 storage. Since 2020, Tallgrass has developed a low carbon, clean fuels, and clean
16 energy business including development of CO₂ pipelines, development of
17 sustainable aviation fuel, and investment in the Escalante H₂ Power Station which
18 is working to convert a retired coal-fired power plant to a clean hydrogen-fired
19 power generation facility.

20

21 **Q. Have you considered the Commission’s affiliate rules in connection with**
22 **Blackstone Infrastructure’s ownership interests in Invenergy and Tallgrass?**

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1 **A.** Yes. Both Blackstone Infrastructure and PNM are familiar with the rules governing
2 affiliate transactions in New Mexico and commit to complying with these rules.

3
4 To the extent PNM interacts with Blackstone Infrastructure affiliates, Blackstone
5 Infrastructure understands that those interactions must be on an arm’s-length basis,
6 and that PNM cannot provide the Blackstone Infrastructure affiliates with any
7 preferential treatment. Both Troy and PNM are committed to complying with the
8 affiliate code of conduct and other provisions that prohibit preferential treatment of
9 affiliates.

10
11 Further, customers are afforded protection under NMSA 1978, Section 62-6-19 and
12 Rule 17.6.450 NMAC, pursuant to which the Commission has authority to review
13 and investigate Class I and Class II transactions as they are defined by Section 62-
14 6-3 of the Public Utility Act. PNM will comply with all laws and Commission
15 rules and orders governing transactions with affiliated interests. Further, PNM will
16 comply with reporting requirements with respect to any Class I and Class II
17 transactions.

18

V. SUMMARY AND CONCLUSION

19

20

21 **Q.** **Please summarize your direct testimony.**

22 **A.** The Acquisition as proposed for approval by the Commission includes Regulatory
23 Commitments that are beneficial to and protective of the customers of PNM and
24 will result in net benefits to and protections of the customers.

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1 **Q. Please summarize the relief that Joint Applicants seek from the Commission?**

2 **A.** Joint Applicants request that the Commission approve the acquisition of TXNM on
3 the terms and conditions discussed in the Joint Applicants' testimony as providing
4 net benefits to the customers of PNM, and as being in the public interest.

5

6 **Q. Does this conclude your direct testimony?**

7 **A.** Yes.

8

GCG#534052

Résumé of Heidi Boyd

JA Exhibit HB-1

Is contained in the following 1 page.

HEIDI BOYD

experience

2018-Present **BLACKSTONE INFRASTRUCTURE PARTNERS (BIP)** **NEW YORK, NY**
Senior Managing Director
Senior member of BIP investment team with investment and origination focus on the transportation, utilities, and infrastructure services sectors in the Americas. Named a 2022 Woman of Influence in Infrastructure by Private Equity International.

Transaction Experience

- **Safe Harbor Marinas.** Led the \$5.65Bn acquisition of Safe Harbor Marinas, the largest marina and superyacht servicing business in the United States. Serve on the Board of Directors, working with company management to further develop their existing marinas and strategically scale their platform. (2025)
- **NIPSCO.** Supported the acquisition of a 19.9% stake in the Indiana-based electric and gas distribution company for \$2.15Bn. (2023)
- **FirstEnergy Primary Equity Issuance.** Led execution of \$1Bn investment in FirstEnergy, a large fully-regulated electric transmission and distribution utility. Serve on the Board of Directors and the Governance, Compensation, and Audit committees. (2021)
- **Carrix.** Acquisition of the largest container terminal operator in the Americas. Serve on the Board of Directors and support management with ongoing strategic initiatives, with a focus on M&A, succession planning, and capital structure. (2019, 2021)

2012-2018 **MACQUARIE INFRASTRUCTURE AND REAL ASSETS (MIRA)** **NEW YORK, NY**
Vice President
Responsible for evaluating and executing investment opportunities in North American infrastructure for MIRA's \$3bn private fund and \$6bn listed fund. Primary focus on utility and ports sectors, with experience both in regulated asset and GDP-linked asset investment strategies.

Select Transaction Experience

- **Maher Terminals.** Led diligence for acquisition of the largest container terminal in North America, in a MIRA-led acquisition from Deutsche Bank. Led shareholder agreement negotiation with 20% co-investor NYK Ports. (2016)
- **GFL.** Led business plan and diligence for a c. 30% minority investment in a vertically-integrated waste business in Canada. (2015)
- **Cleco.** Led valuation and business planning process for MIRA-led consortium's ~\$5.4bn take-private of a rural Louisiana electric utility. Managed advisors and consultants in the formation of the business forecast across both the regulated utility business and the cooperative wholesale power market business. (2014)
- **District Energy.** Led sale of a ~\$25m EBITDA district cooling system in Chicago, on behalf of Macquarie Infrastructure Company (MIC), to Brookfield. Managed all aspects of sale including managing sell-side bankers, documentation, regulatory approvals, and coordination with co-shareholder John Hancock. (2014)

2007-2010 **BOSTON CONSULTING GROUP** **PARIS, FRANCE / LOS ANGELES, CA**
Consultant
Experience in healthcare, technology, and industrial goods in projects in market entry, growth strategies, and strategic planning. One of six Associates selected globally for exchange program in 2009.

education

2010-2012 **HARVARD BUSINESS SCHOOL** **BOSTON, MA**
M.B.A. Member: Venture Capital and Private Equity and Social Entrepreneurship club.

2003-2007 **STANFORD UNIVERSITY** **STANFORD, CA**
B.A. in Science, Technology and Society and minor in Spanish. Courses included Engineering, Computer Science, Economics, Statistics, and Math. Dean of Students Outstanding Achievement Award in '06-07.

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) Case No. 25-00 ___-UT
TROY MERGER SUB INC. WITH TXNM ENERGY, INC.;)
APPROVAL OF A GENERAL DIVERSIFICATION PLAN;)
AND ALL OTHER AUTHORIZATIONS AND)
APPROVALS REQUIRED TO CONSUMMATE AND)
IMPLEMENT THIS TRANSACTION)
)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC,)
)
JOINT APPLICANTS.)

SELF AFFIRMATION

In accordance with 1.2.2.35(A)(3) NMAC and Rule 1-011(B) NMRA, **HEIDI BOYD, Senior Managing Director of Blackstone Inc.**, upon penalty of perjury under the laws of the State of New Mexico, affirms and states: I have read the foregoing **Direct Testimony and Exhibit of Heidi Boyd and co-sponsored exhibits** which are true and correct based on my personal knowledge and belief.

DATED this 25th day of August, 2025.

/s/ Heidi Boyd
HEIDI BOYD