

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

SEAN KLIMCZAK

August 25, 2025

NMPRC CASE NO. 25-00____-UT
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SEAN KLIMCZAK

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SELF AFFIRMATION

**DIRECT TESTIMONY OF
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I. INTRODUCTION AND PURPOSE OF TESTIMONY

Q. Please state your name and business address.

A. My name is Sean Klimczak. My business address 345 Park Avenue, 16th Floor
New York, NY 10154.

Q. By whom are you employed and what is your position?

A. I am the Global Head of Infrastructure and a Senior Managing Director of
Blackstone Inc. (“Blackstone”), a publicly traded investment firm listed on the New
York Stock Exchange (NYSE: BX). As the Global Head of Infrastructure, I oversee
the day-to-day operations of Blackstone Infrastructure Partners L.P. (“BIP”) and
the other funds and accounts within Blackstone Infrastructure as that term is defined
below in my direct testimony.¹

Q. On whose behalf are you submitting this testimony?

A. I am submitting testimony on behalf of Troy ParentCo LLC (“Troy”) to address the
role that Troy will play in the future ownership structure of the Public Service
Company of New Mexico (“PNM”) if the transaction proposed in this case is
approved, including information about Blackstone Infrastructure, which will own
and control Troy.

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 **Q. Please briefly describe your professional experience and your educational**
2 **qualifications.**

3 **A.**Attached to this testimony as JA Exhibit SK-1 is my resume which contains details
4 of my education and professional experience. Briefly, I graduated from the
5 University of Notre Dame and received an MBA from Harvard Business School. I
6 joined Blackstone in 2005 and, since joining Blackstone, investing in electric
7 infrastructure has been one of my most significant areas of focus. As such, I have
8 been involved in numerous investments in the electric infrastructure sector
9 involving regulated utilities, independent generation and transmission operators,
10 and renewable developers. In 2017, BIP was founded in response to a clear demand
11 from Blackstone’s institutional investors to invest in the infrastructure sector in a
12 more focused manner.

13

14 **Q. Have you previously filed testimony before the New Mexico Public Regulation**
15 **Commission (“Commission”) or any other regulatory authorities?**

16 **A.**No.

17

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

19 **A.**The purpose of my testimony is to support the request that the Commission approve
20 the acquisition of TXNM Energy, Inc. (“TXNM”), and indirectly TXNM’s
21 subsidiary, PNM, by Troy (the “Acquisition”). I will provide the Commission with
22 a summary of the proposed Acquisition, as well as information about the proposed
23 new public utility holding companies of PNM, the investment philosophy of

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1 Blackstone Infrastructure, and why Troy is seeking to acquire PNM. Finally, I
2 make all of the commitments required under 17.6.450 NMAC on behalf of Troy
3 and Blackstone Infrastructure.

4

5 **Q. Please introduce the other witnesses for Troy that are testifying in support of**
6 **the Joint Application.**

7 **A.** The witnesses testifying on behalf of Troy in support of the Joint Application are:

8 • Sebastien Sherman, a Senior Managing Director of Blackstone, is a member
9 of the Blackstone Infrastructure team and leads Blackstone Infrastructure's
10 investments in the utilities sector. Mr. Sherman will provide the details of
11 Blackstone Infrastructure's other investments, how Blackstone
12 Infrastructure ownership can benefit PNM and its customers, and how
13 Blackstone Infrastructure works with the management of companies in
14 which it invests.

15 • Heidi Boyd, a Senior Managing Director of Blackstone, is a member of the
16 Blackstone Infrastructure team who focuses primarily on Blackstone
17 Infrastructure's investments in the utilities and transportation sectors. Ms.
18 Boyd will discuss the Acquisition and List of Benefits and Regulatory
19 Commitments ("Regulatory Commitments").

20

21

22

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**II. SUMMARY OF ACQUISITION AND BLACKSTONE
INFRASTRUCTURE**

Q. Please summarize the transaction which is being proposed in the Application and supported in this and the accompanying testimony.

A. We are proposing an Acquisition by which Troy will acquire TXNM and its direct subsidiary, PNM. Specifically, Troy will cause its direct wholly owned subsidiary, Troy Merger Sub Inc., to merge with and into TXNM. Upon completion of the merger, TXNM will be the surviving corporation and will be a direct wholly owned subsidiary of Troy, and thereby indirectly wholly-owned and controlled by the broader Blackstone Infrastructure umbrella. Troy, TXNM, and PNM (“Joint Applicants”) request approval of the Acquisition; approval of PNM’s 2026 General Diversification Plan (“2026 GDP”), which replaces any previous diversification plans; and other approvals as set forth in the Application.

Q. Who is Troy and what is Blackstone Infrastructure?

A. Troy is an entity specifically created for the purpose of acquiring and holding TXNM. Troy is controlled and owned by Blackstone Infrastructure.

As Mr. Sherman will discuss in greater detail in his testimony, Blackstone Infrastructure is an umbrella term that encompasses Blackstone Infrastructure Management and Blackstone Infrastructure Funds, along with parallel funds and accounts, all controlled by Blackstone Infrastructure Management. Blackstone

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1 Infrastructure currently has more than \$64 billion in assets under management.

2 Blackstone Infrastructure is ultimately controlled by Blackstone.

3

4 While Blackstone controls Blackstone Infrastructure, the actions of Blackstone
5 Infrastructure do not require approval by the board of directors or shareholders of
6 Blackstone. Rather, the day-to-day operations of Blackstone Infrastructure are
7 managed by me and the other Senior Managing Directors on the Blackstone
8 Infrastructure team.

9

10 Moreover, even though Blackstone Infrastructure will indirectly control PNM,
11 PNM will be operated by the local management team and the PNM Board, with key
12 decisions such as budgeting, dividend policy, and capital investments determined
13 by PNM management and the PNM Board.

14

15 **Q. Why is Blackstone Infrastructure interested in New Mexico and proposing to**
16 **purchase TXNM?**

17 **A.** Blackstone Infrastructure is excited about the opportunities in New Mexico, and at
18 TXNM, for a number of reasons.

19

20 New Mexico is experiencing above average gross domestic product growth, driven
21 by a vibrant mix of industries such as manufacturing and technology. This diverse
22 economic landscape is creating an environment for investment. Importantly, New
23 Mexico is at a pivotal moment, with a commitment to carbon free electric

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1 generation, as well as growing electricity demand. There is a lot of excitement
2 about the future of energy in New Mexico, and we want to be part of the story and
3 contribute to the energy transition that is taking place in New Mexico.

4
5 The Blackstone Infrastructure team has been working to increase our investments
6 in utilities for several years. The utility sector is expected to see significant growth
7 in the next several years, because of the electrification of heating and vehicles, the
8 reindustrialization of our economy and digital infrastructure demand. We want to
9 be part of this story through reasonable and prudent investments that bring benefits
10 to customers and support PNM's transition to clean energy. Utility investments are
11 attractive for Blackstone Infrastructure and our investors because they typically
12 provide for steady, lower-risk returns over the long term compared to other higher
13 growth and higher risk industries.

14
15 Generally, we at Blackstone Infrastructure look for supportive environments to
16 invest in. PNM is in a state that we believe support energy investments. As
17 discussed in more detail by Witness Tarry, the recently enacted Senate Bill 170,
18 which addresses economic development investment, is a great example of the
19 supportive energy policies New Mexico is adopting. Additionally, it is our
20 understanding that the current regulatory environment in New Mexico is positively
21 focused on implementing state policies and that the state is supportive of the type
22 of investments in infrastructure that will be necessary to drive economic growth in
23 the state for years to come.

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1 We also see benefits from the fact that PNM is vertically integrated. We believe
2 that utilities that manage and control the generation, transmission, and distribution
3 system can optimize the delivery of utility service to best serve customers and
4 support a stable and reliable electric grid. Stability and reliability not only benefit
5 customers in receiving electric service, but also foster economic development. We
6 are happy to support PNM's journey to meet the requirements of the Energy
7 Transition Act.

8
9 We also believe that renewable energy generation plays a key role in the future of
10 electric utility service and see the Acquisition as a way to support that role. Given
11 that we are focused on long-term investments, optimizing our investment in
12 megatrends like the energy transition that will endure over the very long term is
13 critical to our investment philosophy. New Mexico is well situated for renewables
14 development, including windfarms, solar generation, early stage geothermal,
15 battery storage, and transmission assets that will positively position New Mexico
16 for growth in the coming years. We think that investment in renewable power,
17 especially by regulated, vertically integrated utilities like PNM, are good for
18 customers and for utility operators.

19
20 Blackstone Infrastructure recognizes businesses like utility service require local
21 knowledge. What works for one state may not be a good fit for another state. While
22 we can bring industry best practices to core business operations, we know that we
23 need experienced local management in order to focus on the issues that matter the

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1 most to the people of New Mexico. That is one of the reasons we are attracted to
2 PNM, as we value the long tenures and homegrown talent that exist at PNM. We
3 believe that PNM is a well-run business, with strong local management, and is
4 focused on the long-term needs of New Mexico — providing reliable utility service,
5 meeting the challenge of the energy transition, and modernizing the grid to foster
6 economic growth in New Mexico. For all of these reasons, PNM is a perfect fit for
7 Blackstone Infrastructure’s investment profile.

8

9 **Q. What are the key aspects of the transaction that you would like to emphasize?**

10 **A.**There are a lot of positives that will occur as a result of this transaction. I would
11 like to briefly highlight the following:

- 12 • Blackstone Infrastructure is a long-term investor and is committed
13 through Troy to providing PNM with the necessary funding PNM needs
14 to comply with the Energy Transition Act, modernize its grid, and
15 provide safe reliable power to customers.
- 16 • Troy will be able to draw upon the experience and resources of
17 Blackstone Infrastructure and the broader Blackstone organization and
18 can work with PNM’s management team to enhance business operations
19 in areas like procurement and information technology.
- 20 • Troy is committing to a strong package of tangible and quantifiable
21 benefits that provide over a hundred million dollars of rate-related
22 benefits, an amount that exceeds any rate credit proposed in any similar
23 transaction in New Mexico history by a factor of more than two times,

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1 with additional funds for economic development support (with tangible
2 and quantifiable benefits approximately 3 times those provided in any
3 prior utility transaction in New Mexico). Ms. Boyd and Mr. Monroy
4 will detail these benefits in their testimonies.

- 5 • We understand that utility service is of great local importance and
6 commit that PNM and TXNM will be headquartered in New Mexico
7 under Troy's ownership.

8
9 **Q. What should stakeholders know about Blackstone Infrastructure?**

10 **A.** Blackstone Infrastructure actively invests across the entire infrastructure landscape,
11 including in energy transition, transportation, digital infrastructure, water and
12 waste. We invest in and acquire companies with long-lived assets and have a track
13 record of investing significant capital into our portfolio companies, both initially
14 and as the companies need more capital to grow (referred to as "follow-on" capital).
15 Our long-term investment horizon and access to perpetual capital (meaning that
16 there is no specific end-date for the fund or any fund investment, and that we have
17 the flexibility to continue raising money and investing in businesses indefinitely,
18 providing ongoing equity support) allows us to help PNM address its reliability and
19 growth needs, as well as the existing clean energy transition requirements, for years
20 to come without putting pressure on the utility to produce short-term results.

21
22 Blackstone Infrastructure is very familiar with investing in highly regulated, critical
23 businesses that are relied upon by the public for essential services. We have made

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1 significant investments in public utilities, ports, and airports and understand the
2 importance of working with, and being answerable to, governmental bodies
3 responsible for regulating these businesses and to the communities these businesses
4 serve. We look forward to working with the stakeholders and the Commission in
5 New Mexico.

6
7 Finally, we seek out businesses with strong management and committed vision.
8 We don't run the operations of the companies in which we invest; rather, we work
9 with and empower the management group to help the business thrive. We think of
10 this as a partnership, where we provide capital and business expertise (such as help
11 with procurement and business operation components) for the companies that we
12 acquire or invest in, and local management provides operational experience and
13 local expertise. As further described in Mr. Sherman's testimony, we do not charge
14 a management fee to our portfolio companies, and it is up to local management and
15 the local board of directors to choose if they would like to take advantage of the
16 assistance we can provide.

17
18 **Q. How will PNM's customers specifically benefit from the Proposed**
19 **Transaction?**

20 **A.** As Ms. Boyd and Mr. Monroy explain in their testimonies, Troy is offering a robust
21 and extensive set of quantifiable benefits, including:

- 22 • A \$105 million rate credit focused on residential customers over a 48-month
23 period (a rate credit that is more than 2 times the rate credit approved in

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prior utility transactions in New Mexico) and a contribution of \$10 million over 10 years to PNM's Good Neighbor Fund which primarily benefits low-income customers. These two efforts will be long-term commitments that will help ease the financial burden on families.

- A \$25 million contribution over 10 years for utility infrastructure targeting pilot project(s) for innovative or emergent resource technology, such as long-duration energy storage or geothermal resources.
- A \$35 million contribution in Economic Development funds over 10 years to fund one or more of the following: job training, apprenticeships, or scholarships in utility related areas of industry. Collectively, the \$70 million community benefits package is more than 3 times that of any prior utility transaction in New Mexico.

Additionally, Joint Applicants are committed to establishing a strong governance structure for PNM including the following characteristics:

- PNM will have a seven-member board including the President and CEO of PNM, at least one board member with experience as a former utility executive, and three independent board members.
- The PNM Board is entrusted with acting in PNM's best interests, overseeing decisions related to dividend policy, debt issuances, capital expenditures, and operational expenditures.

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- 1 • A majority vote among the independent directors can restrict dividend
2 distributions (excluding tax distributions) if determined in good faith to be
3 required to meet agreed debt-to-equity ratios.
- 4 • Any changes to PNM's dividend policy require a majority PNM Board vote,
5 including approval from a majority of the independent directors.

6

7 **Q. What sets Blackstone Infrastructure apart from other investment firms?**

8 **A.** What sets Blackstone Infrastructure apart from other investment firms is its focus
9 on and experience with long-term infrastructure investments. We're here to partner
10 with the companies in which we invest and support their growth for decades,
11 without the pressure to provide short-term liquidity or returns.

12

13 As I mentioned above, one of the key attributes of the Blackstone Infrastructure
14 Funds is that we are open-ended, perpetual funds, meaning that we have no
15 obligation to sell our investments after a certain period of time and can continuously
16 raise and invest money in our portfolio companies, providing ongoing equity
17 support. This is particularly important in enabling us to support the capital-
18 intensive needs of utility companies in areas like resource adequacy, demand
19 growth, and maintenance or replacement of aging infrastructure. This stability
20 allows companies we invest in to focus on their operations without worrying about
21 short-term financial reporting pressures or exposure to the volatility of capital
22 markets.

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1 As further explained in the direct testimony of Mr. Sherman, our team brings
2 extensive experience in regulated utility investments, and understands that PNM's
3 customer rates and returns on investment are and will continue to be governed by
4 the decisions of the Commission.

5
6 Most importantly, we understand that utility investments are a public-facing asset
7 class, with significant public responsibility, and that PNM is a regulated entity
8 subject to the jurisdiction of the Commission and has a responsibility to customers.
9 That's why we prioritize building strong relationships with local stakeholders and
10 communities and have taken proactive steps to engage stakeholders throughout the
11 Acquisition process. We believe that open, ongoing dialogue with both regulators
12 and stakeholders is crucial for the success of this kind of investment, and we bring
13 this focus to all our regulated companies.

14
15 **Q. Why is Blackstone Infrastructure's long-term investment focus important?**

16 **A.** Blackstone Infrastructure's focus on long-term stability of ownership, steady
17 growth, and value creation over time—as a contrast to the short-term nature of the
18 expectations seen in public capital markets—will provide PNM's management with
19 greater certainty for long-range planning.

20
21 Our long-term focus and ability to provide equity-based capital is demonstrated by
22 the fact that Blackstone Infrastructure has already invested \$400 million in TXNM
23 in the past few months, and as discussed by Ms. Boyd, is committing through Troy

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1 that it will provide funding for PNM's five-year capital plan. This upfront
2 investment and five-year commitment will fund energy transition, essential grid
3 upgrades, and reliability enhancements. Facing roughly \$3.4 billion in capital
4 expenditures over the next several years, PNM needs the right support to transition
5 to carbon free energy, modernize infrastructure, strengthen the grid against wildfire
6 and climate-related risks, and meet increasing electricity demand. Blackstone
7 Infrastructure's investment and deep access to capital can keep TXNM and PNM's
8 balance sheets healthy and position PNM for long-term resilience.

9
10 To be clear, while we are of course in the business of providing returns for our
11 clients, Blackstone Infrastructure is mindful that utility investments must be
12 necessary and prudent to serve customers; as a result, it is not in our financial
13 interest to invest aggressively for the sake of higher returns. The need to be mindful
14 of the impact on customers when investing capital is a key reason that we will rely
15 on experienced local management to operate the utility post-Acquisition.
16 Importantly, Blackstone Infrastructure is not asking for any change to existing
17 regulations. We simply seek to invest further to support the growth of PNM within
18 the existing rate structure.

19
20 My experience over the past two decades has shown me that many public market
21 investors take a short-term approach to investing, moving in and out of investments
22 frequently. At the first sign that management will miss anticipated earnings, or that
23 a large equity raise is necessary (thus increasing the number of outstanding shares

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1 on the market and often decreasing share value), public company investors are
2 prone to selling and moving on. Another risk of being a publicly traded company
3 is the potential to attract short-term activist shareholders whose sole concern is to
4 push the company to increase profits immediately to allow the activist to sell at a
5 profit. These situations can put pressure on publicly traded companies who need
6 significant additional capital infusions today, with the return occurring over many
7 years. Our ownership model allows the company to invest and operate without
8 these pressures.

9 **Q. How are investments decisions made at Blackstone Infrastructure?**

10 **A.** At Blackstone Infrastructure, material investment decisions are made by a
11 dedicated investment committee. The investment committee's role is to ensure that
12 Blackstone's management and commercial teams are thorough and careful when
13 evaluating significant projects. The investment committee does not manage the
14 regular quarterly or annual budgets of TXNM or PNM. Instead, they consider
15 significant new or follow-on investments from Blackstone Infrastructure when
16 needed.

17
18 Our investment committee has developed a keen interest in the utility sector, and
19 the Acquisition is the fifth utility investment the committee has approved. Our
20 investment committee believes in the growth story of PNM, and the committee
21 discussion of the Acquisition was one of the most engaging discussions we have
22 had in a long time. Our investment committee also appreciates that, due to

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1 significant capital needs in the sector, utility investors must be prepared to invest
2 follow-on equity to support sustained growth.

3
4 Our investment committee reviews investments when the need arises for \$100
5 million or more of follow-on capital. In this case, the investment committee has
6 already approved Blackstone Infrastructure's \$400 million investment in TXNM
7 earlier this year and supports the commitment to fund PNM's current 5-year capital
8 plan.

9
10 **Q. Will Blackstone Infrastructure continue to support PNM with equity and**
11 **access to capital into the future?**

12 **A.** Yes. Follow-on capital investment is a regular practice for us. We have made
13 around \$15 billion in follow-on investments in our portfolio companies. In 2023
14 and 2024, about 54% of our total equity investments, or \$5.5 billion, went into
15 existing companies rather than new investments.

16
17 Blackstone Infrastructure understands that PNM has an obligation to its customers
18 and the communities it serves to provide reliable electric utility service. We know
19 that electricity is vital to people and businesses. We intend to support the projects
20 PNM needs in the future to provide safe and reliable electric utility service to the
21 customers and businesses it serves. Depriving PNM of capital necessary to provide
22 service would not only be bad for PNM and its customers; it also would be a bad
23 investment decision for us. We want PNM to thrive and continue to meet existing

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1 and future customer needs. We have every incentive to ensure PNM is well
2 capitalized to provide safe and reliable service to customers in New Mexico.

3

4 **Q. Please explain why you discuss holding investments in terms of a decade or**
5 **more.**

6 **A.**Blackstone Infrastructure's investing philosophy requires a long-term approach.
7 We are clear about this, and this idea is attractive to investors who have long-term
8 investment requirements that prioritize stability over aggressive growth. Our
9 investors know when they partner with us that their money will be deployed for
10 years, and there is no end date at which the entire investment will be returned.
11 Because we are clear with both our investors and the companies we invest in, the
12 expectation is that we will be able to provide capital for years to come. To date,
13 our vision has been very attractive to our investors. We have grown to over \$64
14 billion in assets under management in less than 10 years.

15

16 **Q. How might Blackstone Infrastructure help improve business operations at**
17 **PNM?**

18 **A.**Mr. Sherman will address this issue in greater detail. First, we believe that PNM is
19 a well-managed company. However, at a high level, I can state that Blackstone
20 Infrastructure's exposure to many companies can help broaden PNM's ability to
21 learn of, and from, the best practices of other Blackstone portfolio companies. We
22 also help support the capture of efficiencies by offering to aggregate procurement
23 and purchasing power, such as for software licensing, construction and fleet

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1 management services, and long-lead equipment and materials. Blackstone receives
2 no compensation for this support. Within our utility portfolio, we have identified
3 potential opportunities within certain information technology spend and mobile
4 communications spend categories that have led to meaningful cost savings. While
5 we have not studied PNM's practices yet, and cannot predict a precise amount of
6 savings we may be able to help PNM achieve, we believe, based on our track record
7 with other companies, that we will be able to offer valuable assistance to
8 PNM. Being able to leverage our capabilities for the benefit of PNM customers is
9 a unique benefit we bring to the table.

10 Furthermore, Blackstone has retained a number of outside subject matter experts,
11 including retired officers of large utilities with years of operational experience, that
12 it can draw on for strategic advice. We often call on these experts to serve on boards
13 of companies in which Blackstone Infrastructure invests. For example, Ms. Boyd
14 and Mr. Sherman are expected to serve on the PNM Board after the consummation
15 of the Acquisition. Our partnership with PNM opens Blackstone's network of
16 former CEOs and executives with knowledge and insight in areas critical for utility
17 operation. On its own, PNM may not have access to the breadth of executive-level
18 strategic advice that we can offer. Blackstone will not receive compensation for
19 providing TXNM access to this type of informal advice from its senior advisor
20 network.

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1 **Q. Do you believe Blackstone Infrastructure is a good partner for PNM?**

2 **A.** Yes, I do. I have spent considerable time with the PNM management team and
3 have gotten a chance to learn how they operate. I see the opportunity to create a
4 constructive and strategic relationship with this team. We also have had the
5 opportunity to be introduced to stakeholders and community leaders and have seen
6 the passion and commitment they have for New Mexico.

7

8 Blackstone Infrastructure is excited to work with PNM and the people of New
9 Mexico. We bring unmatched access to capital, and a strong desire to support
10 PNM's efforts to modernize its grid and complete the energy transition. Finally,
11 we recognize the unique role PNM plays in New Mexico and plan to support PNM
12 in continuing that role, not to change PNM or subsume it into a larger organization.

13

14 **Q. Are you familiar with the statutory factors that the Commission is required to**
15 **consider in evaluating the Proposed Transaction?**

16 **A.** Yes. Although I am not an attorney and do not intend to offer legal opinions in this
17 testimony, I am generally aware that there are certain standards determining
18 whether to approve a proposed merger transaction. I also understand that the
19 Commission requires certain representations and commitments under its Rule
20 17.6.450 NMAC ("Rule 450").

21

22 **Q. Are you able to affirm that Troy has provided the commitments required under**
23 **Rule 450 for approval of this Acquisition?**

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1 **A.** Yes. In addition to showing that a Class II Transaction will have no material adverse
2 impact on a utility's service and rates, the utility must provide all the information
3 required by Rule 450, which the Joint Applicants have done. The information
4 enumerated in Rule 450 is provided in PNM's 2026 GDP and supported in my
5 testimony and the testimony of PNM witnesses Don Tarry and Henry Monroy.

6

7 **Q.** **Are you familiar with the representations that the Joint Applicants are**
8 **making in the 2026 GDP filed with the Joint Application?**

9 **A.** Yes. The 2026 GDP (Application Exhibit F) contains the following representations
10 of PNM, TXNM, and Troy:

11 (1) the books and records of PNM will be kept separate from those of any
12 nonregulated business and in accordance with the Uniform System of Accounts;

13

14 (2) the Commission and its staff will have access to the books, records, accounts,
15 or documents of the affiliate, corporate subsidiary, or holding company
16 pursuant to NMSA 1978, Sections 62-6-17 and 62-6-19;

17

18 (3) the supervision and regulation of PNM pursuant to the Public Utility Act will
19 not be obstructed, hindered, diminished, impaired, or unduly complicated;

20

21 (4) PNM will not pay excessive dividends to its holding companies, and the holding
22 companies will not take any action which will have an adverse and material

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1 effect on PNM's s ability to provide reasonable and proper service at fair, just,
2 and reasonable rates;

3 (5) PNM will not, without prior approval of the Commission:

4 a. loan its funds or securities or transfer similar assets to any affiliated
5 interest;

6 b. purchase debt instruments of any affiliated interests, or guarantee or
7 assume liabilities of such affiliated interests; or

8 c. pledge the assets of PNM to pay or guarantee the debt of any affiliate;

9 (6) PNM has complied, and will comply, with all applicable federal or state
10 statutes, rules, or regulations;

11 (7) when required by the Commission, PNM will have an allocation study (which
12 will not be charged to ratepayers) performed by a consulting firm chosen by
13 and under the direction of the Commission; and

14 (8) when required by the Commission, PNM will have a management audit (which
15 will not be charged to ratepayers) performed by a consulting firm chosen by
16 and under the direction of the Commission to determine whether there are any
17 adverse effects of Class II Transactions upon PNM.
18

1 Additionally, if the Acquisition is approved, I personally affirm the above
2 representations made in the 2026 GDP on behalf of Troy and Blackstone
3 Infrastructure.

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1 community, we look forward to working with and supporting PNM's strong
2 management team now and in the future.

3

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

5 **A.** Yes.

6

GCG#534054

Résumé of Sean Klimczak

JA Exhibit SK-1

Is contained in the following 1 page.

SEAN T. KLIMCZAK

experience

2005-Present

BLACKSTONE

NEW YORK, NY

Senior Managing Director, Global Head of Infrastructure

Founded and oversees Blackstone's global Infrastructure franchise, serving on its various Investment Committees. Involved in the execution of numerous Blackstone Infrastructure investments, including AGS Airports, AirTrunk, Applegreen, Autostrade per l'Italia (ASPI), Carrix, Cheniere Energy Partners, Digital Realty JV, FirstEnergy, Hotwire Communications, Invenenergy Renewables, Mundys, NIPSCO, NextEra Renewables JV, Phoenix Tower International, PPL Generation JV, QTS, Safe Harbor Marinas, Signature Aviation, and Tallgrass Energy. Serves as President and as a member of the Board of The Blackstone Charitable Foundation. Named a World Economic Forum Young Global Leader in 2015

Select Transaction Experience (Prior to Blackstone Infrastructure)

- **Fisterra Energy.** Independent power development company founded in partnership with Blackstone that focuses its investments on the energy transition and sustainability sectors (2013, 2017)
- **Lightstone Generation.** US independent power development company (2017)
- **GridLiance.** The nation's first competitive transmission company focused on collaborating with Public Power utilities to develop, own and operate transmission assets with Public Power and provide its Public Power partners with opportunities to invest in regulated transmission development projects and receive other benefits, including lower energy and delivery costs and increased reliability for their customers, while providing greater access to renewable energy sources (2016)
- **Onyx.** Independent renewable project development company that established by funds managed by Blackstone that is focused on greenfield development in the North American solar and wind sectors (2015)
- **Custom Truck One Source.** Leading supplier of trucks and custom equipment to utility, rail, telecom, infrastructure, forestry services and other specialty equipment operators. (2015)
- **Lonestar Generation.** Independent power development company that owns and manages power generation assets across the US (2014)
- **Cheniere.** Largest U.S. liquefied natural gas (LNG) exporter based in Sabine Pass, Louisiana (2012)
- **Meerwind.** 288 MW offshore wind farm located in the German Bight in the North Sea. One of the first commercial offshore wind farm projects in operation in Germany. (2011)
- **Sithe Global Power.** Independent power development company with development projects across North America, Mexico, Africa and the Middle East (2011, 2017)

2001-2003

MADISON DEARBORN PARTNERS

CHICAGO, IL

Private Equity Associate, Basic Industries Group

Evaluated, negotiated and managed leveraged buyout investments for MDP's \$4.0Bn private equity fund. Participated in all aspects of the investment process. Worked with portfolio company management teams to address strategic and operational issues

2007-2010

MORGAN STANLEY

CHICAGO, IL

Senior Financial Analyst, Mergers, Acquisitions and Restructurings Department

Analyzed and executed mergers, acquisitions, divestitures and restructurings for domestic and international clients across numerous industries. Rated in Morgan Stanley's highest performance class for every evaluation period.

education

2003 - 2005

HARVARD BUSINESS SCHOOL

BOSTON, MA

Master in Business Administration degree, June 2005. Graduated with the highest academic standing in his class and was selected as a Baker Scholar, a John L. Loeb Fellow, a Henry Ford II Scholar and a William J. Carey Scholar for demonstrated leadership and values.

1994 - 1998

UNIVERSITY OF NOTRE DAME

NOTRE DAME, IN

Bachelor of Business Administration degree, *summa cum laude*, in Finance and Business Economics. GPA: 3.9/4.0. Dean's Honor List all semesters. Elected to Beta Gamma Sigma National Honor Society. Received University of Notre Dame Scholar designation for academic achievement. Personally financed 100% of education.

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, **SEAN KLIMCZAK, Global Head of Infrastructure and 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 Sean Klimczak** and it is true and correct based on my personal knowledge and belief.

DATED this 25th day of August, 2025.

/s/ Sean Klimczak
SEAN KLIMCZAK