BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL TO ACQUIRE NEW MEXICO GAS COMPANY, INC. BY SATURN UTILITIES HOLDCO, LLC.	)	**Docket No. 24-00266-UT**
JOINT APPLICANTS	)	

REBUTTAL TESTIMONY AND EXHIBITS

OF

MARK S. MIKO

May 16, 2025

NMPRC CASE NO. 24-00266-UT
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WITNESS FOR
JOINT APPLICANTS

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NMPRC CASE NO. 24-00266-UT

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Mark S. Miko. My business address is 201 St. Charles Ave., Suite 3000, New Orleans, LA 70170.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am filing testimony on behalf of the BCP Applicants.[1]

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A. I am employed by Delta Utilities as their Chief Information Officer ("CIO").

Q. PLEASE BRIEFLY OUTLINE YOUR RESPONSIBILITIES AS CHIEF INFORMATION OFFICER.

A. As the Chief Information Officer of Delta Utilities, I am responsible for all technology and cybersecurity operations for the "portfolio" of utilities. I oversee and lead all Information Technology ("IT"), Operations Technology ("OT"), Cybersecurity, Data, and all technology innovation and implementations for Delta Utilities.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

1 The BCP Applicants include BCP Infrastructure Fund II, LP ("BCP Infrastructure Fund II"); BCP Infrastructure Fund II-A, LP ("BCP Infrastructure Fund II-A"); BCP Infrastructure Fund II GP, LP ("BCP Infrastructure II GP," and together with BCP Infrastructure Fund II and BCP Infrastructure Fund II-A, the "BCP Infrastructure Funds"); and Saturn Utilities Aggregator, LP; Saturn Utilities Topco, LP; Saturn Utilities, LLC; Saturn Utilities Holdco, LLC; Saturn Utilities Aggregator GP, LLC; and, Saturn Utilities Topco GP, LLC, (collectively, the "Saturn Companies").

A. I have dual Bachelor's degree in Business and Computer Science from the University of Pittsburgh.

Q. HAVE YOU PROVIDED A COPY OF YOUR CURRICULUM VITAE THAT SUMMARIZES YOUR PROFESSIONAL EXPERIENCE?

A. Yes, my curriculum vitae is provided as JA Exhibit MSM-1 (Rebuttal) to my Rebuttal Testimony.

Q. HAVE YOU TESTIFIED OR FILED TESTIMONY BEFORE ANY REGULATORY AUTHORITIES?

A. Yes. I have filed testimony in the State of Pennsylvania for Duquesne Light Company as their CIO.

Q. DO YOU SPONSOR ANY ATTACHMENTS WITH YOUR DIRECT TESTIMONY?

A. Yes. In addition to my curriculum vitae, I sponsor JA Exhibit MSM-2 (Rebuttal) and JA Exhibit MSM-3 (Rebuttal).

Q. ARE JA EXHIBIT MSM-2 (REBUTTAL) AND JA EXHIBIT MSM-3 (REBUTTAL) TRUE AND CORRECT COPIES OF THE DOCUMENTS YOU HAVE REPRESENTED THEM TO BE?

A. Yes.

II. SUMMARY OF TESTIMONY AND RECOMMENDATIONS

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. My testimony responds to concerns raised by New Mexico Public Regulation Commission ("Commission" or "NMPRC") Utility Division Staff ("Staff") and certain intervenors regarding the BCP Applicants' request for authorization to acquire New Mexico Gas Company ("NMGC") from Emera, Inc. ("Emera").[2] Specifically, I will respond to concerns regarding shared services that involve Information Technology ("IT") systems and provide information regarding the BCP Applicants' rebuttal proposal to provide IT shared services between NMGC and Delta Utilities. I address the mechanics of the proposal from an IT perspective, and Joint Applicant witness Peter I. Tumminello addresses the proposal from a business and utility operations perspective.

Q. WHICH STAFF AND INTERVENOR WITNESSES RAISE CONCERNS REGARDING IT SYSTEM COSTS?

A. Several Staff and intervenor witnesses express concerns regarding the BCP Applicants' proposal to transition shared IT services back to New Mexico, including: Staff witness Daren Zigich;[3] Staff witness Larry Blank;[4] Staff witness Naomi Velasquez;[5] New Mexico Department of Justice ("NMDOJ") witness Mark Garrett;[6] New Energy Economy ("NEE")

2 The BCP Applicants will acquire TECO Energy, a public utility holding company that owns and holds New Mexico Gas Intermediate ("NMGI"). NMGI owns 100% of the issued and outstanding stock of NMGC.
3 See D. Zigich Dir. at 12-13.
4 See L. Blank Dir. at 17.
5 See N. Velasquez Dir. at 5-10.
6 See M. Garrett Dir. at 7, 28, 35-41.

witness Christopher Sandburg;[7] and Federal Executive Agencies ("FEA") witness Dwight Etheridge.[8]

Q. WHAT CONCERNS DO THESE WITNESSES RAISE?

A. These witnesses generally argue that the BCP Applicants' plan to transition shared IT services back to NMGC will result in increased costs and a lack of synergies.

Q. WHAT ARE YOUR RECOMMENDATIONS IN THIS PROCEEDING?

A. As discussed below, the BCP Applicants' rebuttal proposal to provide IT shared services between Delta Utilities and NMGC will result in synergies, cost savings, and technology upgrades that provide net benefits to NMGC's New Mexico customers.

III. TRANSITION OF IT SHARED SERVICES

Q. PLEASE DESCRIBE NMGC'S EXISTING IT SYSTEMS.

A. NMGC currently operates under a shared services model, in which many IT services are provided by Emera (the parent company) affiliates. NMGC's ERP system is SAP ECC 6.0, which was originally released in 2005, and NMGC also uses Hitachi Asset Suite.

Q. WILL THESE SYSTEMS REQUIRE UPGRADES IN THE NEAR FUTURE?

7 See C. Sandburg Dir. at 10, 27-29.
8 See D. Etheridge Dir. at 7-9, 19-28, 31.

A. Yes. SAP ECC 6.0 is approaching its end-of-support date on December 31, 2027. Both SAP ECC 6.0 and Hitachi Asset Suite would require significant reinvestment and updates to continue operating.

Q. PLEASE DESCRIBE THE IT SHARED SERVICES PROPOSAL.

A. The BCP Applicants propose a shared services model under which NMGC will operate on its own dedicated version of Oracle Fusion Cloud ERP, including the Oracle Work and Asset Cloud Service ("WACS"), which will be cloned from Delta Utilities' configuration.

Q. ARE YOU PROVIDING A DETAILED DESCRIPTION OF THE IT SHARED SERVICES AND THE IMPLEMENTATION TIMELINE?

A. Yes. JA Exhibit MSM-2 (Rebuttal) to my testimony is a summary of the IT transition plan and timeline. As shown in the timeline, the transition will take place over approximately 18 months following regulatory approval. JA Exhibit MSM-3 (Rebuttal) is a memorandum from Accenture, our transition consultant with 30 years of utility industry knowledge and relevant technology experience, that provides additional details regarding the IT systems and benefits of the transition.

Q. WHAT SYSTEMS WILL REMAIN AT NMGC AND HOW WILL THEY INTEGRATE WITH THIS NEW SOLUTION?

A. While a number of legacy systems will be retired as part of the transition to the new cloud-based Oracle ERP platform, several existing systems at NMGC will remain in operation and will be integrated with the new cloud-based Oracle ERP, Oracle Project Portfolio

Management Cloud ("PPM") and Oracle WACS environment. These remaining systems were identified as either essential to ongoing operations, not duplicated by the Oracle platform, or recently modernized and represent a valuable investment for NMGC and its customers.

Key systems that will remain in place include the Hansen Banner Customer Information System ("CIS"), which was recently upgraded and supports NMGC's customer billing, service orders, and cash management functions. This system will be integrated with the cloud-based Oracle ERP platform to support revenue recognition, accounts receivable, and customer refund processes. Integration between Banner and Oracle will be facilitated through secure Application Program Interfaces ("APIs"), middleware, or scheduled batch transfers, consistent with best practices in utility system interoperability.

Additionally, Quorum, which supports natural gas transportation, scheduling, and measurement processes, will remain in place and integrate with the cloud-based Oracle ERP for financial transactions, invoicing, and asset accounting.

NMGC will also continue to utilize PowerPlan, which supports regulatory accounting, asset management, tax planning, and capital budgeting functions, in the manner it is accustomed. PowerPlan's use is well established within NMGC and is tightly integrated into both operational workflows and regulatory reporting.

Finally, Itron Meter Data Management will continue to support Automated Meter Reading ("AMR") operations and is already integrated with Banner as needed to ensure consistency between meter reads, billing, and asset records. Similarly, NMGC will also continue to utilize FlowCal/Vista, a gas measurement system used to validate, edit, and report measurement data for operational and billing purposes. This system is already integrated with both the Hansen Banner CIS and Quorum platforms and plays a central role in supporting the accuracy and compliance of gas scheduling, allocation, and customer billing. It will remain supported by NMGC and continue to function as part of the integrated architecture going forward.

By retaining and integrating these existing systems with the new cloud-based Oracle ERP using standard connectors, NMGC avoids the need for large-scale retraining or process redesign while maintaining consistency in critical functions including financial treatment, depreciation methodologies, and capital project tracking. Interfaces will be updated to support the new ERP environment and ensure data integrity across all financial systems. This approach both minimizes business disruption and delivers continuity of service while simultaneously enabling implementation of upgraded, modernized, and fit-for-purpose technology system – the backbone of utility operations.

Q. IS DELTA UTILITIES'S ORACLE SYSTEM CURRENTLY TAILORED TO UTILITY OPERATIONS, AND WHAT ARE THE SIMILARITIES BETWEEN NMGC'S OPERATION AND DELTA UTILITIES' OPERATION THAT THEY WARRANT A SHARED SERVICES ARRANGEMENT?

A. Yes. The Oracle Fusion Cloud ERP and Oracle WACS system currently in use at Delta Utilities has been purpose-built to support the needs of a regulated natural gas local distribution company ("LDC"). The basis of the process design and system configuration was Accenture's High Performance Utility Model, which was a key enabler in accelerating the design of processes centered on the latest and greatest best practices across the utility value chain specifically tailored to the Oracle utilities platform. The system configuration includes utility-specific workflows for areas such as capital project tracking, asset and work management, regulatory accounting, and integration with customer-facing systems.

There are strong operational similarities between Delta Utilities and NMGC that make an IT shared services arrangement both logical and efficient. Both companies serve as natural gas LDCs with comparable infrastructure, regulatory compliance obligations, and internal business functions. They also face similar needs for asset tracking, pipeline maintenance, work order scheduling, and financial transparency.

Fundamentally, Delta Utilities' Oracle Fusion Cloud ERP and Oracle WACS system is "fit-for-purpose" to meet the needs of a regulated natural gas LDC. In contrast, NMGC currently operates on an iteration of SAP that serves a broader enterprise, including electric utility operations, and has not been optimized for the specific needs of a gas local distribution company nor for NMGC specifically. While this solution is functional, there are tangible benefits and cost-savings associated with operating a natural gas utility on an IT system built specifically for natural gas utilities, as opposed to one that is shared in an integrated utilities model.

In addition to the utility-specific functions, many of the core ERP components—such as vendor management, accounts payable, general ledger, and financial and FERC reporting—are highly standardized across the utility industry. These processes do not materially differ between LDCs, meaning the existing configuration at Delta Utilities offers a well-aligned and proven foundation for NMGC's needs.

Furthermore, the work order management processes supported by Oracle WACS—such as scheduling, dispatch, and tracking of field crews—are broadly similar across gas utilities. This allows NMGC to adopt a configuration that has already been optimized for natural gas utility field operations, while still maintaining flexibility to tailor specific workflows.

It is also worth noting that cybersecurity requirements—such as system access controls, incident detection, and patch management—are not materially different between Delta Utilities and NMGC. As a result, NMGC can safely and efficiently leverage the same security tooling and protocols already in place at Delta Utilities under the shared services model.

Taken together, these functional and operational similarities provide a strong foundation for NMGC to transition to a cloned Oracle environment, supported by a shared IT services team that already has direct and relevant real-world experience building and implementing the platform and its application to natural gas utility operations.

Importantly, both Oracle Fusion Cloud ERP and Oracle WACS are well-established solutions in the utilities sector, used by natural gas and electric utilities across North America to manage enterprise operations, financials, supply chain, and asset-intensive field work. This broad adoption reflects their alignment with industry requirements and offers NMGC the additional benefit of leveraging a mature platform with ongoing innovation, utility-specific capabilities, and a strong user community.

Again, this approach accelerates deployment, reduces risk, and ensures that NMGC receives expert support from day one—while positioning the company on a platform built to support the long-term operational and regulatory demands of a modern gas utility.

Q. WHO WILL OWN AND MANAGE THE DATA WITHIN THE SHARED ORACLE SYSTEM?

A. NMGC will retain full ownership and control over its data within the Oracle system. The Oracle ERP and WACS environments will be configured as a dedicated instance for NMGC, meaning that all transactional, financial, operational, and employee data will reside in a logically and securely segregated environment. The system will be managed to maintain compliance with regulatory requirements for data privacy, financial reporting, and operational integrity.

While shared services staff may provide technical support, system administration, and cybersecurity oversight, they will do so under formal agreements that define access controls, service responsibilities, and audit requirements. Day-to-day decisions regarding

data usage, reporting, configuration changes, and compliance will become the responsibility of NMGC leadership and its designated process owners. This approach gives more control, ownership, and access to the local management team – increasing real-time data access to inform better decision making at the local level than currently accessible. NMGC management will gain significantly more control and influence over the systems, processes, and services that support their operations—a level of autonomy they do not have today under the Emera shared services model and a key benefit of this approach.

To further ensure protection and accountability, all data governance policies—including retention schedules, access permissions, and reporting protocols—will be established by NMGC and enforced through the ERP's built-in role-based access controls and audit logging features.

In summary, NMGC will own its data, manage its business rules, and control how its information is used and protected, while still benefiting from the operational efficiencies and support expertise of a shared services model.

Q. WILL CRITICAL SYSTEMS SUCH AS BILLING, METERING, AND CUSTOMER SERVICE BE AFFECTED DURING THE TRANSITION PERIOD?

A. No. Critical customer-facing systems—such as billing, metering, and customer service—will not be affected during the cutover period.

The Hansen Banner CIS, which manages billing, meter data, service orders, and customer interactions, will remain in place and continue operating as it does today. Metering infrastructure, including meter data collection and validation through Itron and FlowCal/Vista, will also remain unchanged. These systems are not being replaced as part of the transition and will continue to function independently and reliably throughout the cutover period.

The cutover activities primarily involve back-office systems—such as finance, supply chain, HR, and asset management—which will be transitioned in a staged and controlled manner. Integration points between customer-facing systems and the new ERP platform will be tested thoroughly in advance to ensure continuity and data integrity.

In short, customers will experience no disruption in service, billing accuracy, customer service quality, or customer support availability as a result of the transition, and all critical operations will remain fully functional and closely monitored throughout the cutover.

Q. WILL KEY PERFORMANCE INDICATORS BE TRACKED AND REPORTED?

A. Yes. While specific service level agreement ("SLA") targets will be negotiated and finalized with Delta Utilities at a later date, NMGC anticipates that, at a minimum, the following key performance indicators ("KPIs") will be tracked and reported:

- System Availability – Measures uptime and availability of core systems such as Oracle ERP and WACS.

- Incident Response Time – Tracks how quickly support teams respond to system outages or critical errors.
- Service Request Resolution Time – Measures the time it takes to resolve user-submitted tickets.
- Change Management Compliance – Monitors whether system changes are made with proper notice, approvals, and within maintenance windows.
- High Availability Readiness of the cloud environment – Assesses preparedness for system fail over and if needed, recovery, in the event of a failure.

Q. WHAT ARE THE RISKS ASSOCIATED WITH THE SYSTEM TRANSITION, AND HOW WILL THEY BE MITIGATED?

A. As with any large-scale IT transition, there are inherent risks associated with implementing new systems—particularly those involving ERP and work and asset management platforms. However, these risks are being actively mitigated through careful planning, a proven transition strategy, and experienced personnel.

The key risk areas and their mitigation strategies are as follows:

- Implementation Delays:

  Risk: Timelines could be extended due to complexity in configuration, integration, or user readiness.

  Mitigation: By cloning an existing, fully operational Oracle Fusion Cloud ERP and WACS instance from Delta Utilities, the transition avoids the

lengthy design and configuration process typical of greenfield implementations. Additionally, the project is governed by a Transition Management Office ("TMO") with detailed workplans, milestone tracking, and escalation protocols to ensure accountability and timely execution.

- Data Migration Errors:

  Risk: Incomplete or inaccurate migration of historical financial, HR, or operational data could affect business continuity.

  Mitigation: A multi-stage data migration process is being used, including dry runs, reconciliation checks, validation testing, and sign-off gates. Historical data mapping will be informed by both source system experts (SAP, Asset Suite) and receiving system leads (Oracle ERP), with joint oversight. This includes detailed attention to transactional continuity, auditability, and regulatory data retention requirements.

- System Downtime or Service Disruption:

  Risk: The cutover to the new systems could result in temporary loss of functionality or user access.

  Mitigation: A phased cutover plan will be used, with extensive testing and contingency planning. Critical customer-facing systems (such as billing and metering) are not being replaced and will remain online throughout the

transition. Cutover will occur during low-risk operational windows, and rollback procedures will be defined for all major steps.

- Integration Failures:

  Risk: Interfaces between systems (e.g., between Hansen Banner CIS, Quorum, PowerPlan, and Oracle) could fail if not properly configured or tested.

  Mitigation: All integrations will be documented, assessed, and rebuilt using modern protocols (e.g., APIs, secure batch processes). End-to-end integration testing, including simulated business scenarios, will occur well before go-live. Additionally, most of these integrations are known and stable, having been reused or validated from prior Delta Utilities implementations.

- User Adoption and Training Challenges:

  Risk: Users may be unprepared or resistant to the new system, resulting in reduced productivity or errors.

  Mitigation: A change management and training plan will be delivered, tailored to business users at NMGC. Training materials, process walkthroughs, and sandbox environments will be provided well in advance.

Many users will also benefit from standardized workflows that eliminate the manual workarounds they face today.

- Cybersecurity Exposure During Transition:

  Risk: Migration activity or new system exposure could introduce security vulnerabilities.

  Mitigation: The Oracle platform is hosted in a secure cloud environment with embedded cybersecurity practices. Transition activities will follow strict access control, encryption, and patch management protocols. The cybersecurity shared services team supporting Delta Utilities—experienced with this platform—will oversee the security posture of the new instance from day one.

Overall, these risks will be proactively managed by combining best practices in IT transition, a proven, utility-specific system configuration, and experienced personnel who have already executed similar transitions successfully. With these safeguards in place, keeping in mind the execution team will have just executed similar transitions twice, the transition will be positioned for a smooth, stable, and secure implementation with minimal disruption to business or customer operations.

IV. CYBERSECURITY

Q. HOW WILL SENSITIVE NMGC CUSTOMER AND OPERATIONAL DATA BE PROTECTED FROM UNAUTHORIZED ACCESS?

A. NMGC customer and operational data will be protected through a combination of technical, procedural, and contractual controls designed to prevent unauthorized access by Delta Utilities or any other external entity.

First, while the Oracle Fusion Cloud ERP and WACS platforms will be supported through a shared services model, NMGC will operate its own dedicated system instance, meaning that its data is logically and securely separated from Delta Utilities data. Access to the data must be explicitly authorized by NMGC and will only be granted under documented role-based access controls.

Second, the system will enforce role-based security protocols, which define access permissions down to the user, role, and data field level. These access controls are configured to ensure that only authorized NMGC personnel—and designated shared services support staff operating under NMGC direction—can view or interact with sensitive information. All access will be logged, auditable, and subject to regular review.

Third, the shared services support agreement will include strict data privacy and confidentiality clauses, ensuring that shared IT personnel supporting both NMGC and Delta Utilities are contractually bound to protect NMGC's data. These agreements will specify that no NMGC data may be accessed, used, or shared without NMGC's prior

approval, and will include enforcement mechanisms for any breach.

Fourth, the Oracle platform itself is hosted in a secure cloud environment, with built-in encryption at rest and in transit, multi-factor authentication, and continuous security monitoring. These safeguards reduce the risk of external intrusion as well as internal misconfiguration.

Lastly, NMGC will implement a data governance framework that includes periodic access reviews, audit logging, and incident response protocols to ensure that data protections are maintained over time.

In short, while NMGC will benefit from shared support infrastructure, it will retain exclusive control over its data, and multiple layers of protection are in place to ensure that sensitive customer and operational information remains fully secure and isolated.

Q. TO WHAT CYBERSECURITY FRAMEWORKS AND STANDARDS DOES THE ORACLE SOLUTION ADHERE?

A. The Oracle Fusion Cloud ERP and Oracle WACS platforms are hosted within Oracle Cloud Infrastructure ("OCI"), which is built to comply with a broad range of recognized cybersecurity frameworks, industry standards, and regulatory requirements—ensuring that NMGC's data and systems are protected.

Specifically, the Oracle solution adheres to the following key cybersecurity frameworks and certifications:

- NIST Cybersecurity Framework ("CSF"): Oracle's cloud services align with the NIST CSF, including key domains such as Identify, Protect, Detect, Respond, and Recover.
- ISO/IEC 27001, 27017, and 27018: Oracle Cloud Infrastructure is certified for information security management, cloud-specific controls, and personal data protection in the cloud.
- SOC 1, SOC 2, and SOC 3 Reports: Oracle provides third-party attestation of its internal controls relevant to security, availability, confidentiality, and processing integrity.
- GDPR and CCPA Compliance: Oracle implements processes and controls to support compliance with global privacy regulations, protecting customer and personal data.

In addition to compliance with these standards, Oracle Cloud Infrastructure provides built-in cybersecurity protections including:

- Data encryption at rest and in transit
- Identity and access management with multi-factor authentication
- Automated patching and vulnerability scanning
- Distributed denial-of-service ("DDoS") protection
- Audit logging and continuous security monitoring

- For NMGC, this means the ERP and WACS systems will be hosted in an environment that meets or exceeds the best practices for critical infrastructure cybersecurity, while benefiting from 24/7 monitoring, automated threat detection, and centralized security governance.
- Furthermore, the Delta Utilities shared cybersecurity services team, already supporting this platform, will provide an additional layer of oversight to ensure ongoing compliance with utility industry expectations and emerging regulatory requirements.

Q. HOW WILL CYBERSECURITY BE MONITORED?

A. In addition, given that cybersecurity is within the scope of shared services, NMGC will work with Delta Utilities to define and monitor cybersecurity-related SLAs, which may include:

- Security Patch Timeliness – Measures how quickly critical patches are applied to systems.
- Incident Detection and Containment Time – Tracks how fast cyber threats are identified and contained.
- Vulnerability Scanning and Remediation Cycles – Ensures regular assessment and timely resolution of potential exposures.
- Security Awareness and Training Compliance – Tracks employee completion of required cybersecurity training.

Shared services pricing policies will also be implemented in accordance with arm's-length principles and documented through formal agreements. These policies will ensure that

NMGC bears only the costs associated with the services it receives, with no cross-subsidization or cost shifting between entities.

Overall, the introduction of formal SLAs and shared cybersecurity performance monitoring will offer greater visibility, control, and protection for NMGC and its customers—a material improvement over the status quo.

Q. WILL THESE CYBERSECURITY MEASURES ENSURE THAT NMGC AND ITS CUSTOMERS ARE PROTECTED?

A. Yes, these measures meet and exceed industry standards and will ensure that NMGC and its customers are protected.

V. BENEFITS OF IT SHARED SERVICES

Q. WILL THE PROPOSED IT SHARED SERVICES BENEFIT NMGC AND ITS NEW MEXICO CUSTOMERS?

A. Yes. The proposed transition to Oracle Fusion Cloud ERP and Oracle WACS will improve the level of service provided to NMGC customers by enhancing the systems, processes, and IT support infrastructure that enable efficient utility operations.

While these systems are primarily back-office in nature, they support critical functions such as procurement, financial tracking, human resources, and work order execution—functions that have a direct impact on how quickly and accurately the company can respond to customer needs. Today, many of these internal processes are fragmented and rely heavily

on manual workarounds, siloed systems, and redundant data entry. For example, activities such as purchasing card management and HR onboarding currently require information to be re-entered across multiple systems, tracked offline in spreadsheets, and coordinated through email using pdf forms. These inefficiencies increase the risk of delays, errors, and inconsistent service delivery—all of which can ultimately affect the customer experience.

By transitioning to a modern, integrated cloud-based system, NMGC will streamline these workflows, automate routine processes, and reduce the potential for error. This will result in faster processing times, improved data accuracy, and better coordination across departments—benefits that will ultimately flow through to field operations, service scheduling, and customer service.

Additionally, unlike the legacy on-premise systems currently in use, the Oracle cloud platform offers continuous improvement through regular updates, eliminating the need for large capital upgrades every few years. This not only reduces long-term cost but also ensures that NMGC is always operating on a current, secure platform—helping to prevent service disruptions caused by system obsolescence or cybersecurity vulnerabilities.

It is also important to note that the transition involves not only replacing outdated systems, but also brings key shared service functions in-house to NMGC, including finance, accounting, and human resources. This allows NMGC to better align business support functions with customer-facing operations, reducing handoffs, eliminating bottlenecks, and

enabling more responsive and efficient service, as well as benefits associated with local job creation to fill these new positions.

In total, the transition will result in faster, more reliable, and more secure internal operations, enabling NMGC to serve customers with greater agility, accountability, and long-term value.

Q. WHAT OTHER BENEFITS WILL BE DERIVED FROM THE NEW SYSTEM?

A. The transition to Oracle Fusion Cloud ERP and Oracle WACS will yield a wide range of benefits that go well beyond system modernization. These benefits will enhance NMGC's operational agility, reduce long-term costs, and support improved service delivery to customers, while also aligning the company with best-in-class utility industry practices.

Some of the key benefits include:

- Streamlined and Automated Processes: The new system replaces a patchwork of siloed tools and manual workarounds with an integrated, cloud-based platform. Common functions—such as procurement approvals, HR onboarding, refund requests, capital project management, and financial reporting—will now follow consistent, automated workflows. This eliminates duplication, reduces errors, and significantly improves overall business efficiency.

- Faster and More Informed Decision-Making: With unified data across finance, supply chain, HR, and asset management, the company will gain real-time visibility

into operational and financial performance. Decision-makers at all levels will have access to dashboards and reporting tools that support more agile and data-driven decisions.

- Improved Internal Controls and Compliance: The Oracle platform offers built-in audit trails, role-based security, and configuration-based workflows that strengthen internal controls and support regulatory compliance—without the need for custom coding or manual enforcement. This reduces risk and supports more reliable financial and operational oversight.

- Adaptability and Local Autonomy: By moving to a dedicated Oracle instance cloned from a proven gas utility implementation, NMGC gains the flexibility to tailor the platform to its operational and regulatory needs in New Mexico. Unlike the current SAP instance, which was originally configured for an electric utility and shared across a broader enterprise, the new system allows NMGC to configure, govern, and evolve the platform independently—supporting faster response to regulatory or business changes.

- Speed to Deliver: Starting from a pre-configured environment purpose-built for a natural gas LDC significantly accelerates the delivery timeline for new functionality. The cloud-native platform also supports agile development and modular enhancements, allowing NMGC to meet evolving business or regulatory requirements faster and with less disruption.

- Scalability for the Future: The Oracle platform is designed to scale seamlessly with business needs—whether expanding user capacity, introducing new reporting capabilities, or accommodating long-term growth. This eliminates the need for major re-architecture or reinvestment down the line.

- Faster, More Frequent, and Less Costly Upgrades: With Oracle's continuous cloud delivery model, NMGC will receive regular, utility-focused system enhancements without the disruption, cost, or complexity of traditional ERP upgrades. This ensures the platform remains current, secure, and aligned with best practices over time.

- Resiliency and Cybersecurity: Oracle's cloud architecture includes built-in redundancy, disaster recovery, and continuous security monitoring. These features offer a higher degree of protection against outages, cyber threats, and extreme events than the legacy on-premise systems being retired.

- Restored Accountability to the NMGC Business: Today, many back-office functions are performed by Emera and its affiliates shared services organization, limiting responsiveness and diminishing NMGC's ability to tailor processes to its own needs. With this transition, those functions—and the systems that support them—will be under direct NMGC control. This brings decision-making closer to the business, promotes better accountability, and results in higher-quality service delivery aligned to local objectives.

- Shared Services Expertise and Efficiency: By leveraging an existing shared IT support model already in use for the same Oracle systems at Delta Utilities, NMGC avoids the cost and risk of standing up a new internal team. The shared support staff brings proven knowledge of gas utility operations and the Oracle platform, ensuring stability and accelerating time to value.

- Improved Customer Outcomes: While the systems themselves are not customer-facing, they support the employees and processes that serve customers every day. By reducing internal delays, improving data quality, and increasing coordination, the platform helps enable faster service delivery, fewer errors, and more reliable customer support.

Taken together, these benefits position NMGC for long-term operational excellence—supporting safe, reliable, and affordable natural gas service while modernizing the company's technology foundation in a cost-effective and scalable manner.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

MARK S. MIKO

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Chief Information Officer (CIO) • Chief Technology Officer (CTO) • Cybersecurity Executive

CAREER PROFILE

Strategic goal-oriented technology executive with over 25 years of experience in a diverse mix of industries and corporate structures. Proven track record of providing valuable perspective and insight to boards and senior leaders. Adept at information technology (IT) and operations technology (OT) leadership, digital and technology transformations, cyber security and information privacy, agile product management, data management and analytics, crisis management, program and project management (PMO), delivery acceleration, problem solving, and value creation. Recognized for leading high performing organizations that skillfully align technology solutions with strategic goals to maximize profitability, improve customer experience and lower risk. Awarded CIO of the Year by Pittsburgh Technology Council. Serve on several nonprofit boards, advisory boards, and industry consortiums.

AREAS OF EXPERTISE

- IT & Operations Technology (OT) Integration
- Cybersecurity, Privacy & CIP
- Customer Information Systems (CIS) & Billing Systems
- Sensor Technology and IoT
- IT as a Service (Service Delivery)
- Multi-Million Dollar Budgets & Cost Control
- Mergers & Acquisitions
- Innovation & Emerging Technologies (i.e., AI & ML)
- Data Management, Governance & Analytics
- Technology Compliance & Regulatory
- Digital and IT Transformation
- Agile Product Management (APM) & Product Teams
- Customer Experience Technology Solutions
- IT and OT Strategy & Execution
- CRM, CX and Call Center Systems
- ERP Implementations & Integrations
- Website and Mobile Development Management
- Digital Factories
- Cloud Computing
- Program & Project Management (PMO)

PROFESSIONAL EXPERIENCE

CHIEF INFORMATION OFFICER (CIO) - Delta Utilities 2024 - Present

IT executive of a $1.7B natural gas utility. Delta Utilities was established in 2023 through acquisitions of Entergy New Orleans & Louisiana natural gas assets and CenterPoint Energy's natural gas assets in Louisiana and Mississippi – serving more than 600,000 customers across the Gulf South once both acquisitions are complete. (deltautilities.com)

- Reports to CAO and responsible for day-to-day leadership and management of all technology, systems, cybersecurity, cloud technology, operations technology, data, information technology, customer experience technology.
- Led successful enterprise-wide implementation of Oracle Fusion Cloud ERP, CCS, HCM, WACS, OFS, PPM and Powerplan, as well as OSI SCADA, ESRI GIS (UN) and ~30 supporting technologies enhancing operational efficiency, data visibility, and scalability across all business units.
- Leads a 100+ team of IT consultants and staff through all phases of planning, design, testing, and implementation.
- Directed IT integration strategy during a major acquisition, onboarding 500+ employees (previously with CenterPoint Energy) across multiple departments to new software platforms and standardized hardware infrastructure.
- Orchestrated cross-functional collaboration between IT, HR, Finance, and Operations to ensure seamless transition with minimal business disruption.
- Spearheaded change management and training programs for newly onboarded employees, achieving 100% software adoption within 30 days post-deployment.
- Delivered the Oracle Fusion implementation on time, leveraging agile methodologies and vendor partnerships to manage risk and control costs.
- Modernized IT infrastructure to support new systems and workforce scale-up, including endpoint standardization, identity access management, and cloud architecture enhancements.

- Established scalable IT governance frameworks to support ongoing digital transformation and integration initiatives.
- Decision-maker as it relates to corporate technology strategy and modernization efforts, including guidance and vision on emerging technology, trends, and cybersecurity.

2023 – 2024

FRACTIONAL CHIEF INFORMATION OFFICER (CIO) CONSULTANT
Clients Include: Toronto Hydro & El Paso Electric

- Provide clients with interim and fractional CIO and CTO leadership. Specializing in Information Technology, Operations Technology and Cybersecurity strategic planning, organizational design, process efficiency, digital transformation, cost optimization, application rationalization, delivery acceleration, and data insights.
- Create technology strategies such as Grid Modernization Plans, IT Strategies, IT Transformation Plans, etc. that guide organizations through planning for and implementing emerging technologies such as Artificial Intelligence (AI) and Machine Learning (ML) and responding to new demands from the business due to changing industry needs, growth requirements, new regulations, or mandates.
- Advise companies on technology investment prioritization methodologies to optimize the value from those investments as well as reduce technical debt, future re-work, and maintenance requirements.
- Work with clients to optimize organizational design and human capital and evaluate insource vs. outsource vs. managed service provider models to drive best in class performance.

TECHNOLOGY ADVISOR – Active Angels Network 2023 – Present

Angel investor group that helps early-stage companies and entrepreneurs reach their next level of growth through mentoring, expanding networks to customers and venture capital, and providing personalized strategic advice. Invest primarily in seed stage companies such as SaaS companies, e-Commerce companies, "SportsTech", FinTech, space exploration, tunnel boring, and heath care technology as well as others. (www.activeangelsnetwork.com)

- Research, evaluate, and identify companies to be considered for investment.
- Advise early-stage company leaders and potential investors on technical strategies, market potential, product viability, and investment pitches.
- Perform due diligence and technical evaluations of companies as well as their products, concepts, ideas, inventions, organizational structure, company culture, etc. Present findings and make investment recommendations to angel network and other potential investors.

2015 – 2023

CHIEF INFORMATION OFFICER – Duquesne Light Holdings

Energy services holding company that includes Duquesne Light Company, a regulated electric utility, DQE Communications, a premier provider of fiber optic network services, and The Efficiency Network (TEN), an energy services company. As a next generation energy company, its 1700 employees are dedicated to delivering reliable, clean, efficient, and affordable energy and services to its more than 600,000 customers. (www.duquesnelight.com)

- Reported to CEO and responsible for cybersecurity, cloud technology, operations technology, data, information technology, customer experience, and infrastructure/grid digitalization to meet the goals of the company's mission and strategy with a $140M/year budget.
- Assisted in creating the corporate strategy and regularly presented to the Board of Directors including guidance and vision on emerging technology, trends, and cybersecurity. In addition, served on Board of Director's Audit and Asset Management Committees.
- Successfully recruited 125+ new staff in 2 years to build an organization of ~400 team members with strong technical abilities and practical consulting and customer service skills to support 350+ applications.
- Created a team culture of respect, collaboration, commitment, and success resulting in company's highest employee engagement survey scores and keeping technology employee turnover at less than 10%.
- Reduced overall costs by 25% while consistently meeting and exceeding corporate KPIs and IT Performance metrics.
- Managed the Chief Information Security Officer (CISO) as a direct report and oversaw the cybersecurity and Critical Infrastructure Protection (NERC CIP) functions of the company.
- Implemented a cybersecurity MSSP that improved average cyber incident response time by over 50%.
- Led a $600M technology and digital transformation that digitized a majority of the business and laid the foundation to become a "Utility of the Future" through grid modernization, advanced metering, enhancing the customer experience, and building a flexible and scalable technical and functional architecture to react to new industry trends such as energy as a service and distributed energy resources.
- Responsible for the IT Project Management Office (PMO) that oversaw, governed, and managed the execution of 50+ projects and ~$90M in capital spend/year. Over 85% of the projects were on time and over 90% were on budget.

- Implemented a "cloud first" deployment strategy including Agile Product Management and Product Teams (digital factories) which shortened product release time by 30% and increased the efficiency, value, business benefits, and functionality of each product release.
- Developed and executed a rolling 3-year IT strategy which included spearheading pilots with Artificial Intelligence (AI) and Machine Learning (ML) to create customer service tools and perform data analytics.
- Partnered with the CFO and CEO to create an Innovation Center to foster a company culture of innovation aimed at improving the customer experience and accelerating grid modernization initiatives.

CHIEF INFORMATION OFFICER – Education Management Corporation (EDMC) 2012 – 2015

Post-secondary education provider in North America made up of 110 campuses in the U.S. and Canada. EDMC offered academic programs to 136,000 students through campus-based and online curriculum instruction across 4 Brands: Art Institute, Argosy University, South University and Brown Mackie College. Sold to private equity owners in 2014.

- Led IT component of corporate turnaround that maximized value of technology prior to company sale.
- Established and managed a Corporate IT strategy with a $125M/year technology budget.
- Reduced IT expenses ~14% year over year while supporting 250 applications and 160,000 users with 600 technology team members.
- Built and executed a plan for establishing new Data Engineering, Data Governance, and Data Management teams that provided the business with real-time data analytics and insights for decision making.
- Created CISO role to oversee Cybersecurity, Regulatory & IT Compliance, IT Risk, and Policy Management.
- Implemented IT Service Management (ITSM) that improved IT performance, value, and executive awareness of IT.
- Managed a multi-year $14M project to migrate 3 Student Information Systems containing 40M student records to 1 system that increased efficiency of student support processes by 15%.

SENIOR VICE PRESIDENT TECHNOLOGY - PNC Financial Services 2011 – 2012

One of the largest diversified financial services organizations in the USA with assets of over $550 billion providing retail banking, corporate and institutional banking, residential mortgages, wealth management, asset management and lending services. (www.pnc.com)

- Member of Technology Executive Council and reported to Global CIO.
- Managed the "Business of IT" for the 4000 person IT organization and the allocation of the $1B annual budget.
- Responsible for 7 "line of business" project management offices (PMOs) that served as relationship managers to the business and oversaw the execution of over 1000 projects and $574M/year in capital spend.
- Served as a "Business Line CIO" that led a 400+ team that implemented, managed, and supported 50+ corporate and IT applications.
- Led technology governance, risk, and compliance team that built, standardized, managed, and trained IT and business unit employees on all processes, policies and methodologies used by the IT organization and assured compliance as well as quality of IT deliverables.

CHIEF INFORMATION OFFICER – Armstrong Group of Companies 2005 – 2011

A privately held conglomerate with a portfolio of cable, broadband, telecommunications, security, home technology, real estate, HVAC service, discrete manufacturing, and food services companies. (www.agoc.com)

- Served as a member of the corporate senior executive management team of privately held conglomerate which included influencing corporate strategy, vision, and identifying potential revenue growth opportunities.
- Managed IT as a revenue-generating business unit for the entire AGOC portfolio of companies through "IT as a service" as well as provided outsourcing services such as billing, hosting, data analytics, and other IT operations to external customers.
- Responsible for an IT shared services and cybersecurity organization that supported 3,000 employees in 65 facilities across 27 states as well as 2 significant external customers.
- Introduced the concept of IT Transformation which involved re-architecting the organization, processes, and technology used to deliver IT services to take a proactive approach to projects and organizational needs.
- Led IT due diligence for owners and managed 6 IT integrations resulting from acquisitions.

SENIOR MANAGER- Deloitte Consulting 1995 – 2005

Global professional services firm providing technology integration, strategy & operations, human capital, and outsourcing services. (www.deloitte.com)

- Experience with clients, including Fortune 500 companies, in the energy, resources, industrials, utilities, manufacturing, consumer business, telecommunications, and public service industries.
- Successful at selling and delivering $500,000 - $50 million technology and digital transformations, IT strategy, and large-scale technology implementation engagements on time and within budget for clients.

- Delivered ~25% cost reduction across all IT & Digital Transformation, Merger Integration and Strategy engagements.
- Streamlined operations and transformed multi-national IT organizations with 1000+ employees through department consolidation, reorganization, and process redesign.
- Led the integration of IT for a $12 billion merger that involved evaluating the application landscape of each company, creating governance structures to manage the integration and operations of the resulting consolidated company, and implementing the "post-merger" steady state.

EDUCATION & CREDENTIALS

Bachelor's degree in **Business and Computer Science**, University of Pittsburgh

Awarded 2007 **CIO of the Year** by the Pittsburgh Technology Council for innovation and creativity in planning and deploying enterprise systems, future IT goals, management philosophy and service to the industry and community. Recognized as a 2019 **CIO of the Year** Finalist.

Graduate of 2011 **Federal Bureau of Investigations (FBI) Citizen's Academy**

SECRET Level US Security Clearance

ASSOCIATIONS

UNITE Utility Industry CIO Consortium Member (2019 – 2023)
Board Member and Board Development Committee Chair, Pittsburgh Botanical Gardens (2018 – Present)
Duquesne University Information Systems and Technology Advisory Council (2015 – Present)
Greater Pittsburgh CIO Group Member and CIO Advisory Board Member (2005 – Present)
Pittsburgh Technology Council (2005 – Present)
Project Management Institute (PMI) (2005 – Present)
Information Systems Audit and Control Association (ISACA) (2012 – Present)
Alumni Life Member of Delta Sigma Pi Professional Business Fraternity

PROJECT SATURN

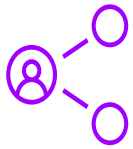
High Level Transition Plan

May 14, 2025

Contents

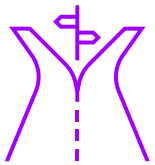
Executive Summary

After further analysis and feedback from the regulatory process, a revised IT strategy has been developed that leverages an existing instance of Oracle Fusion Cloud ERP that has been configured purposely to support a natural gas LDC, Delta Utilities.



Our objective is now to establish a hybrid IT environment that ensures operational continuity and autonomy, meets regulatory and cybersecurity requirements, while leveraging shared services for support of common systems. Under this approach, NMGC will deploy its own dedicated Oracle ERP instance by cloning the proven configuration used by Delta Utilities—significantly accelerating implementation timelines and reducing risk and ongoing support costs. Post-transition, NMGC will be supported by a shared services ERP and cybersecurity support team with deep platform and utility domain expertise, reducing overall operating costs while maintaining full autonomy over system changes.

The transition plan now spans Q1 2025 to Q4 2026, covering five key phases: Planning, System Cloning & Setup, Testing, Training and Cutover/Go-Live.



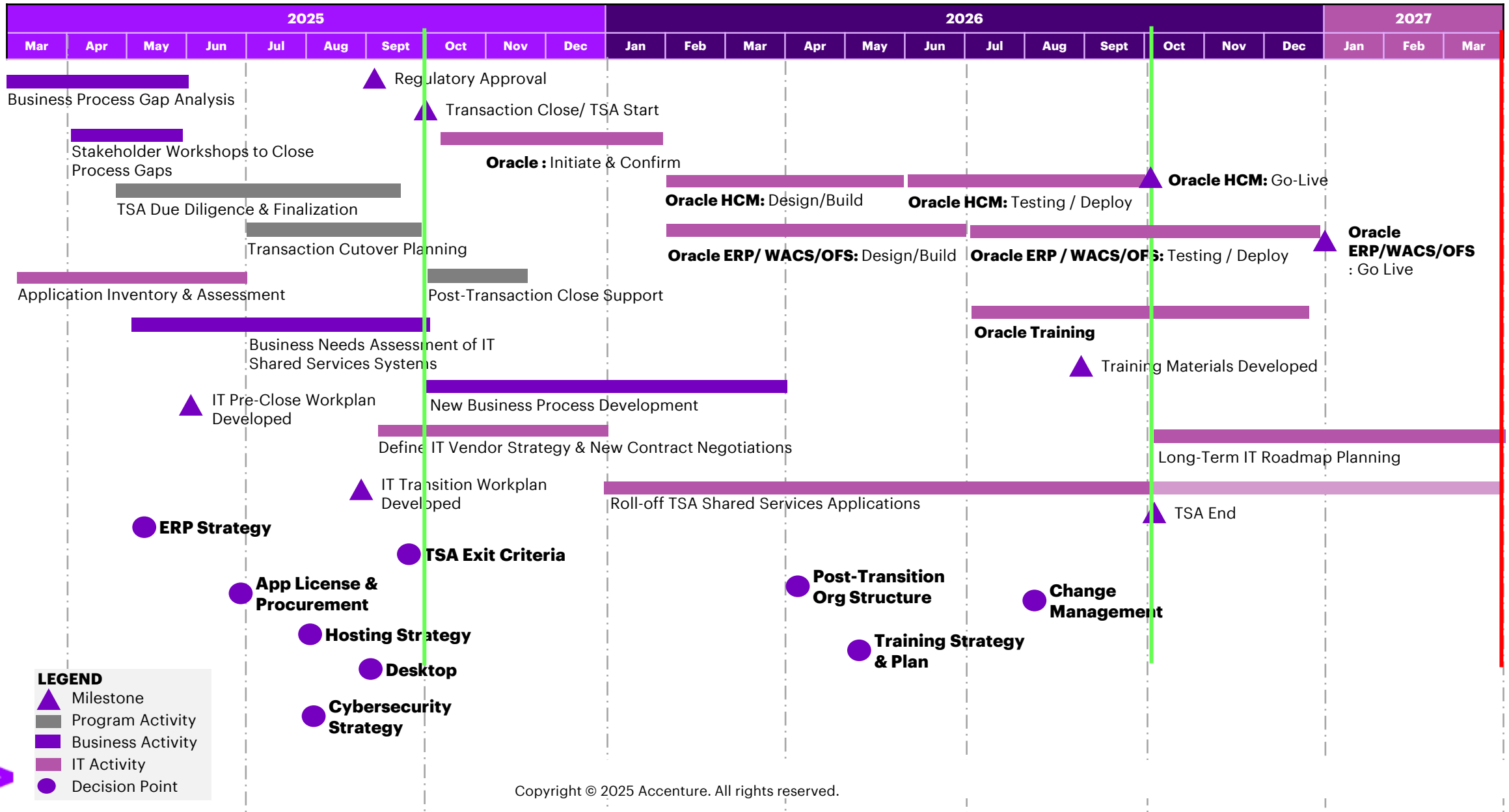
Next Steps & Considerations

- A detailed planning and blueprinting phase will be required once there is confidence in regulatory approval. This phase will define the full program scope, timeline, resource plan, system design, and integration strategy.
- Coordination with the Delta providing shared Oracle support services is essential. Their engagement will be needed to finalize the shared support model, define responsibilities, and ensure alignment on service levels and onboarding processes and cost.
- Ongoing alignment with regulatory stakeholders will continue throughout planning to ensure transparency, cost prudency, and long-term benefit realization for ratepayers.

High Level Transition Plan

	Now – Sept 2025 Pre-Close	Sept 2025 – Dec 2026 TSA Period	Dec 2026 and Beyond Full Separation
	Stage 1: Prepare for Regulatory Approval and Transaction Close	Stage 2: TSA Rolloff Activities & ERP Solution Implementation	Stage 3: Post-TSA, IT Roadmap, Optimize Operations
IT Strategy	• Complete IT application inventory & post-TSA needs assessment • Decide on ERP replacement strategy and start initial planning • Infrastructure planning • Cybersecurity planning	• Execute on strategy to roll off TSA within the initial 15 months, addressing stand-alone SAAS applications first before moving to those requiring heavy data migration and integrations • Standup new IT org for long term support • Migrate applications to new or "cloned NMGC systems"	• IT operations stabilization- Hypercare • IT strategy and roadmap planning • IT and business optimization- transformation planning – Artificial Intelligence strategy • Data & Analytics enablement • Application Rationalization
Business Readiness	• Business process gap analysis • Refine operations processes to address change • Business Needs Assessment of IT Shared Services Systems for post-TSA • Perform TSA due diligence and manage change requests • Complete Sale Transaction	• Execute TSA operations • New business process development to support full separation • New business process development to support new or upgraded IT applications • Ensure regulatory updates as required • Assess, evaluate, and create Corporate policies to support full separation • Support business inputs for ERP solution implementation	• Focus on efficiency and improvement in Operations • Ensure regulatory updates as required • Deploy rate case improvements • Review and potentially renegotiate contracts with suppliers, customers, and partners
Governance	• Establish Transition Management Office (TMO), Project Management Office and delegation of authority processes • Decision-making framework implemented	• Transition PMO to business owners • TMO to oversee TSA exit activities and manage to Day 1 of full separation • Assess and mitigate full separation risks	• Ongoing risk monitoring • Re-evaluate decision-making approval matrix • Ensure ongoing compliance oversight
Organization	• Organization design planning • Staff to fill immediate gaps	• Collaborate with the business on incremental staffing needs for full separation	• Implement well-defined reporting structures for affected shared services departments • Begin long-term succession planning

HIGH LEVEL TRANSITION TIMELINE



Key Considerations for ERP Migration

Replace SAP ECC with Oracle by taking a copy of Delta's Oracle ERP instance configuration and migrate data from SAP.

Cloned Environment

The NMGC Oracle system will be a copy of the existing DU environment.

- Cloning the DU Oracle environment significantly accelerates the implementation process, enabling quicker deployment by replicating a proven, pre-configured system.
- Ensure that configurations, customizations, and settings are consistent, reducing the likelihood of issues arising during the new implementation.

Data Migration

Leverage DU's vetted data migration processes.

- Enables more accurate and smoother data migration with less risk of errors or discrepancies.
- Simplify data validation and cleansing processes, ensuring that data integrity is maintained during the migration.
- Oracle offers state-of-the-art security features, including encryption, firewalls, identity management, and multi-factor authentication to safeguard data.

Infrastructure

With pre-configured services and infrastructure, NMGC can quickly deploy applications.

- Utilize existing Oracle Cloud infrastructure, ensuring a seamless and familiar environment, reducing the need for significant new hardware investments.
- Minimize the setup and configuration time by replicating a proven and stable environment, ensuring consistency and reliability across the new implementation.

Speed to Go-Live

Anticipated 12-15-month implementation timeline.

- Reduce implementation timelines by cloning a pre-configured Oracle environment, allowing for faster setup, testing, and deployment compared to starting from scratch.
- Streamline the testing phase by utilizing an identical environment that closely mirrors the production system, leading to fewer delays and more efficient troubleshooting.

Implementation & Support Costs

Leverage DU Shared Services model to reduce costs.

- Reduce costs associated with the design and setup of a new system by reusing the infrastructure and configuration from the cloned environment.
- Lower consulting and labor costs due to the faster setup and reduced need for core configuration and custom development.

Phase 1 | Phase 2 | Phase 3 | Phase 4 | Phase 5

Phase 1: Planning - Initiate & Confirm

1. **Initiation & Governance**
   - Confirm RICEFW (Requirements, Interfaces, Conversions, Enhancements, Forms, and Workflows.
   - Develop and finalize the project plan (phases, milestones, timelines)
   - Confirm the implementation methodology
   - Set up tools for project tracking, reporting, and collaboration

2. **Readiness Assessment**
   - Evaluate organizational, technical, and operational readiness
   - Assess current-state processes and systems
   - Identify high-level gaps, risks, and dependencies

2. **Governance & Team Setup**
   - Assign a Project Sponsor, IT Leads, and Business Process Owners.
   - Identify stakeholders and assign roles and responsibilities

3. **Infrastructure & Hosting**
   - Define environment cloning plan
   - Begin provisioning and setup of NMGC's Oracle instance

Key Deliverables

- ✓ Final Transition Strategy & Timeline
- ✓ Transition Project Plan
- ✓ Governance Framework
- ✓ Hosting Infrastructure Decision

Proposed Duration

- Estimated: 2 Months

The project team to conduct a series of planning meetings with all key project stakeholders to define the IT transition strategy and develop the project plan. These activities will promote a common understanding of approach, timeline, and outcomes.

Collaboration

- Program Leadership
- IT Workstream Leads
- IT Technical Resources
- PMO Core team
- SMAs
- Business Stakeholders (as needed)

Resource Needs (estimated)

- Kickoff Meeting Participants: IT PMO Lead, IT Workstream Leads, 2 hours
- Planning Meetings/Workshop Participants: IT Workstream Leads, SMAs (~2 hours per meeting, estimated four (5) meetings)

Phase 2: Design & Build/System Cloning & Setup

1. **Technical Design & System Cloning**
   - Confirm reporting, integration, and interface requirements
   - Finalize integrations with legacy or third-party systems
   - Define data migration approach (source systems, cleansing, mapping)
   - Replicate existing configurations into the new environment (e.g., chart of accounts, business units, legal entities, ledgers)
   - Review existing configurations and determine what's being retained vs. enhanced
   - Implement security segregation to ensure parent company data is removed.

2. **Data Segmentation & Cleanup**
   - Identify and extract only NMGC-relevant master data:
     - Vendors, Customers, Materials, GL accounts, Cost Centers, Assets, Employees.
   - Clean transactional data to retain only NMGC-specific records:
     - Open AP/AR invoices, purchase orders, inventory, payroll data, etc.
   - Set up and test user roles and security profiles

3. **Build**
   - Build and unit test extensions, custom reports, and interfaces
   - Create conversion programs for data migration
   - Begin initial configuration in development/test environments

Key Deliverables

- ✓ Oracle Cloned Environment (PROD)
- ✓ Design Documents
- ✓ RICEFW Inventory
- ✓ Data Conversion & Mapping Documents
- ✓ Integrated Architecture Document

Proposed Duration

- Estimated: 5 Months

By cloning the existing DU Oracle environment, the team will be aligning closely to a known baseline and applying optimizations, remediations, or integrations. Design decisions will be faster than in a greenfield scenario but require diligent validation to avoid carrying over legacy pain points.

Collaboration

- IT Workstream Leads
- IT Technical Resources
- PMO Core team
- SMAs

Resource Needs (estimated)

- Initial Meeting Participants: IT Workstream Leads, other stakeholders, ~2 hours
- System setup execution: Varies (Daily to Weekly recurring workshops)

Phase 3: Testing

1. **Test Planning & Prep**
   - Finalize overall test strategy (scope, types of tests, entry/exit criteria)
   - Identify test scenarios and develop test scripts (based on replicated business processes)
   - Set up test environments (SIT, UAT, Performance)
   - Prepare and load test data (including masked production data, if needed)

2. **Interface & Third Party System Validation**
   - Test Oracle interfaces with external systems:
     - Banking, Payroll, PowerPlan, GIS, Customer Billing, AssetSuite, etc.
   - Confirm compliance with regulations.

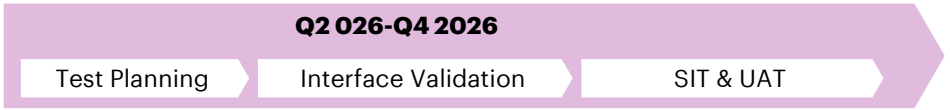
3. **SI & UAT (Leverage existing DU test scripts)**
   - Validate end-to-end process flows across Oracle modules and external systems
   - Test all interfaces (inbound/outbound), extensions, reports
   - Simulate batch jobs, file transfers, workflows, and notifications
   - Business users validate that the system supports real-world business processes
   - Use actual scenarios (sales orders, invoices, payroll runs, etc.)
   - Validate security roles, approval workflows, and segregation of duties

Key Deliverables

- ✓ Test Strategy & Plan
- ✓ Test Scrips & Scenarios
- ✓ Test Summary Report
- ✓ System Integration Test (SIT) & User Acceptance Test (UAT) Sign-Off

Proposed Duration

- Estimated: 6 Months



It will be critical for the testing strategy to validate that the replicated system mirrors the source system behavior accurately, Nany new integrations, configurations, or any optimizations don't introduce issues, data migration has succeeded without corruption or gaps, and end-to-end processes still work correctly across modules and systems.

Collaboration

- TMO Core Team
- IT Workstream Leads
- PMO Core team
- SMAs
- Test Resources
- Users

Resource Needs (estimated)

- Test Strategy Workshop Participants: IT Workstream Leads, Test Lead, ~ 6 hours (Three 2-hr workshops)
- Users & Testers: Varies

Phase 4: Training

1. **Training Plan Development**
   - Define training scope, delivery formats, and schedule
   - Identify trainers and SMEs to deliver sessions
   - Confirm training materials, leveraging existing DU materials and update as necessary for NMGC
   - Customize training to show “before and after” where applicable

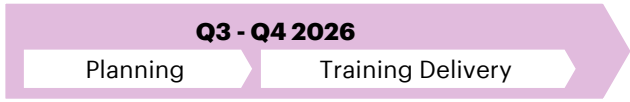
2. **Training Delivery**
   - Conduct training sessions (UAT participants may also serve as peer trainers)
   - Host “train-the-trainer” sessions for super users

Key Deliverables

- ✓ Training Strategy & Plan
- ✓ Training Calendar
- ✓ Training Materials

Proposed Duration

- Estimated: 2.5 Month



While users may already be familiar with existing processes, the training phase is still critical to address, new interfaces or workflows, role-based changes or security updates, enhanced or updated functionality, differences in UI/UX, and change in reporting tools

Collaboration

- Change Management Team
- TMO Core Team
- IT Workstream Leads
- Business Readiness Leads
- PMO Core team
- Trainers
- Users

Resource Needs (estimated)

- Training Planning Meetings: IT Workstream Leads, TMO, PMO, Other Stakeholders, ~1 hours weekly meetings
- Training Sessions: Varies

Phase 1 | Phase 2 | Phase 3 | Phase 4 | **Phase 5**

Phase 5: Cutover/Go-Live

1. **Final Data Migration**
   - Perform final extraction of transactional data from parent SAP.
   - Conduct final reconciliation for open financial balances, open orders, payroll, and HR records.

2. **Cutover Execution**
   - Freeze transactions in parent SAP.
   - Enable new cloned Oracle Production system.
   - Execute first business cycle transactions in Oracle (e.g., payroll, invoicing).
   - Verify data post-load and reconcile with legacy system

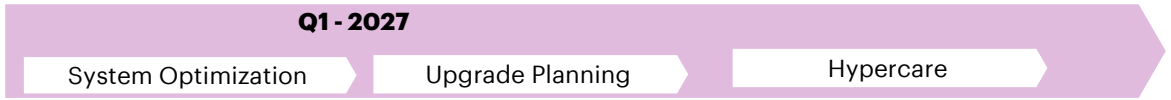
3. **Hypercare Support**
   - Establish 24/7 post-go-live support for initial stabilization.
   - Resolve defects & fine-tune configurations based on user feedback.
   - Monitor system performance & transaction integrity.

Key Deliverables

- ✓ Cutover Plan & Execution
- ✓ Post-Go-Live Support Plan
- ✓ Support Contact List / Escalation Matrix
- ✓ Production Environment Readiness Sign-Off

Proposed Duration

- Estimated: 3 Months



The IT system go-live marks a critical phase in the project. This phase involves validation of business processes and setting up monitoring tools to track system performance. A dedicated support team will be on standby to address any issues, ensuring a smooth transition with minimal disruption.

Collaboration

- Program Leadership
- TMO Core Team
- IT Workstream Leads
- Business Readiness Leads
- PMO Core team
- Hypercare Support Team

Resource Needs (estimated)

- Cutover Planning Meetings: IT Workstream Leads, TMO, Leadership, PMO, Other Stakeholders, ~1 hours weekly meetings
- Go-Live: ~30mins daily standups

ERP & Power Plan

Summary

System Assessment and Requirements Gathering:
- Conduct thorough assessments of existing ERP and Power Plan systems to identify gaps, redundancies, and opportunities for improvement.
- Gather business requirements from key stakeholders (finance, operations, customer service, regulatory compliance) to ensure the new systems meet operational needs.

System Design:
- Design a system architecture that supports integration between the new ERP, Power Plan, and other key utility systems (e.g., asset management, GIS, CRM).

Data Migration and Integration:
- Plan and execute the migration of critical business data (customer, financial, operational) from legacy systems to the new ERP and Power Plan systems.

Testing and Validation:
- Conduct thorough system testing, including functional, integration, and performance testing, to ensure the new systems meet business requirements.
- Validate data integrity and system outputs through user acceptance testing (UAT) and stakeholder feedback.

Training and Change Management:
- Develop and deliver comprehensive training programs to employees across departments to drive adoption of the new ERP and Power Plan systems.
- Implement a change management strategy to ensure smooth transitions, manage resistance, and align users with new workflows and processes.

Key Assumptions

- The existing systems and data can be migrated to the new ERP and Power Plan systems without significant loss or corruption.
- Adequate resources, both financial and human, are available for a seamless transition.
- Stakeholders are committed to the change process and will actively engage in training and user acceptance activities.

Big Rock Transition Items

- Ensuring robust cybersecurity measures during the transition, particularly with respect to data migration and integration.
- Managing dependencies between systems (e.g., billing, asset management) to prevent disruptions during the switch-over.
- Developing a post-implementation support plan to address any issues or system bugs immediately after going live.

Key Risks

- **Data Migration Risks:** Potential data loss or corruption during the migration process, leading to operational disruptions and compliance issues.
- **Integration Challenges:** Difficulty integrating the new ERP and Power Plan systems with existing systems could lead to operational inefficiencies or delays.
- **Change Resistance:** Employees may resist the new processes, affecting productivity and system adoption if not properly managed.

Core Infrastructure

Summary

Infrastructure Assessment & Gap Analysis:
- Assess the current state of infrastructure, identifying gaps, limitations, and areas that need upgrading or replacement.
- Perform a comparative analysis to evaluate the existing infrastructure against the future needs post-TSA, considering scalability, security, and compliance requirements.

Design & Architecture Planning:
- Develop a new infrastructure design that supports both current and future operational needs.
- Ensure the new infrastructure is aligned with industry best practices, compliance standards and disaster recovery protocols.

Hardware & Software Selection:
- Identify and select appropriate hardware (servers, storage, networking, cloud) and software solutions (virtualization, cloud services) that align with the infrastructure design.

Network & Connectivity Upgrades:
- Implement necessary upgrades to the networking infrastructure to support seamless connectivity across locations, remote workforces, and integration with external systems (e.g., SCADA).

Separation from Parent Company IT Systems:
- Transition from Emera's shared IT infrastructure (e.g., data centers, network resources) to independent infrastructure, ensuring continuity.
- Establish new data storage and backup solutions that meet the utility's needs and regulatory requirements post-separation.
- Perform rigorous testing of the new infrastructure to ensure performance, security, and reliability.
- Gradually migrate critical systems and applications to the new infrastructure, performing validations at each stage to ensure minimal disruption.

Key Assumptions

- Sufficient budget and resources are allocated to address the infrastructure overhaul and ensure minimal disruption.
- There is active collaboration between internal IT teams and external vendors for hardware, software, and security requirements.
- Existing infrastructure is sufficiently documented to ensure a smooth migration process.

Big Rock Transition Items

- Proper planning of network and data security protocols to safeguard sensitive operational data and ensure compliance with regulatory standards.
- Maintaining operational continuity during the migration process.
- Ensuring the new infrastructure is designed to handle future growth, including integrating new technologies like IoT, smart meters, or AI-based systems.

Key Risks

- **Downtime & Operational Disruption:** Potential for downtime during the migration process or infrastructure switch-over
- **Integration Challenges:** Difficulties in integrating the new infrastructure with legacy systems, leading to inefficiencies or data synchronization issues.
- **Security & Compliance Risks:** Risks related to data breaches, non-compliance with industry regulations, or vulnerabilities in newly implemented systems.

Cybersecurity

Summary

Cybersecurity Assessment & Gap Analysis:
- Conduct a thorough assessment of NMG's current cybersecurity landscape and evaluate alignment with Delta Utilities cybersecurity tools and protocols to identify integration gaps or configuration changes required for adoption.
- Evaluate existing cybersecurity risks specific to the utility industry (e.g., critical infrastructure protection) and compare them against industry standards (e.g., NIST).

Develop & Update Cybersecurity Policies:
- Adopt existing cybersecurity policies and procedures from Delta Utilities, with updates as needed to ensure compliance with New Mexico-specific data protection and regulatory requirements.
- Ensure policies address both business and regulatory requirements.

Incident Response & Disaster Recovery Plan:
- Leverage Delta Utilities existing incident response framework and disaster recovery protocols, and customize for OpCo-specific roles, systems, and escalation paths.
- Test an incident response plan tailored to NMGC risks, ensuring the organization can quickly respond to cybersecurity threats or breaches.

Separation from Parent Company Security Systems:
- Transition from the parent company's shared security infrastructure to new shared services system, ensuring no loss of monitoring, protection, or regulatory compliance.
- Coordinate the secure migration of identity and access management, VPNs, and threat detection platforms from Emera to the shared services environment operated by Delta Utilities.

Training & Awareness Programs:
- Roll out cybersecurity awareness and training programs using Delta Utilities established training curriculum, tailored to NMGC employees, ensuring they are educated on new protocols, phishing risks, and secure data handling practices.

Key Assumptions

- Delta Utilities cybersecurity tooling is scalable and adaptable for NMGC's operational and regulatory needs.
- Joint governance framework will be established to oversee shared cybersecurity operations and risk management during and after TSA exit.
- Sufficient budget and resources are allocated to upgrade and implement necessary cybersecurity technologies, tools, and training.

Big Rock Transition Items

- Review, confirm, and adopt to Delta Utilities' cybersecurity tooling.
- Ensuring regulatory compliance during the transition, particularly with sector-specific cybersecurity regulations.
- Prioritizing the protection of critical infrastructure and operational technology (OT).
- Ensuring clear separation between Emera's security infrastructure and the newly independent security systems.

Key Risks

- **Cybersecurity Incident:** Risk of a cybersecurity incident (e.g., ransomware, data breach) occurring during the transition, especially if the separation process is rushed or not fully secure.
- **Compliance Risks:** Failure to meet industry-specific cybersecurity regulations could result in fines, restrictions, or reputational harm.
- **Insufficient skills availability:** Lack of adequate employee experience on new cybersecurity practices and tools can lead to human error, phishing attacks, or inadvertent data breaches.

Standalone SAAS Applications (No Data Migration or Integrations)

Summary

Inventory & Assessment of Existing Subscriptions:
- Create a comprehensive inventory of all subscription-based applications, including software-as-a-service (SaaS) solutions and cloud-based platforms.
- Assess each application's business value, integration points, usage, licensing terms, and dependencies to determine which should be retained, replaced, or canceled post-acquisition.

Contract Review & Negotiation:
- Review existing subscription contracts for renewal dates, pricing, usage terms, and any clauses related to acquisition or service transferability.
- Negotiate with vendors to either transfer subscriptions, renegotiate terms, or establish new contracts.

Separation from Parent Company Subscriptions:
- Transition from shared subscription applications or accounts previously managed by Emera, ensuring all critical data, user access, and service continuity are maintained.
- Establish independent accounts, licenses, and configurations for each subscription-based application post-transition.

User Access Management & Security:
- Review and adjust user access control and permissions for each subscription-based application to ensure that only authorized utility employees have access, especially as teams are restructured.
- Implement or adjust security protocols (e.g., multi-factor authentication) to protect sensitive business and customer data accessed through subscription applications.

Key Assumptions

- Resources and technical expertise are in place to manage the migration of subscription-based applications.
- Subscription vendors will cooperate in the transfer of licenses or provide the necessary support during the migration and transition process.
- There is an understanding of which applications are essential for operations and which can be phased out or replaced.

Big Rock Transition Items

- Ensuring minimal disruption to business operations by ensuring access issues are resolved prior to cutover.
- Reviewing security requirements for each subscription application.
- Ensuring that new contracts reflect the specific needs of IT and business, particularly regarding service-level agreements (SLAs) and compliance with industry regulations.

Key Risks

- **Licensing Issues:** Complications in transferring or renegotiating licenses, especially if subscription terms are not aligned with post-acquisition needs or budgets.

Standalone SAAS Applications (Includes Data Migration or Integrations)

Summary

All activities captured for Standalone SAAS without Data Migration or Integrations, plus the following:

Data Migration & Integration:

- Plan and execute the migration of relevant data from subscription applications to either new platforms or standalone systems, ensuring data integrity and minimal downtime.
- Address integration requirements between subscription applications and internal systems (e.g., ERP, PowerPlan, CRM) for seamless business operations.

Training & Change Management:

- Develop and deliver training for users on how to access, navigate, and use the new subscription-based applications, especially if platforms are changing or new tools are introduced.
- Ensure change management strategies are in place to guide employees through the transition, minimize resistance, and encourage smooth adoption of new systems.

Key Assumptions

- Subscription vendors will cooperate in the transfer of licenses or provide the necessary support during the migration and transition process.

Big Rock Transition Items

- Ensuring minimal disruption to business operations by ensuring access issues are resolved prior to cutover.
- Reviewing security requirements for each subscription application.
- Ensuring that new contracts reflect specific needs, particularly regarding service-level agreements (SLAs) and compliance with industry regulations.

Key Risks

- Data Loss, Corruption, and Downtime: Risk of losing or corrupting data during the migration from one system to another. Potential downtime or disruption in critical business applications during the migration process, which could impact customer service or business operations.
- Integration Challenges: Difficulty integrating new subscription applications with existing utility systems, leading to data silos or inefficiencies in business processes.
- Cost Overruns: Unforeseen costs associated with renegotiating contracts, migrating data, or acquiring additional software tools during the transition.

On-Prem Applications

Summary

Inventory & Assessment of Existing Applications:
- Conduct a thorough inventory of all on-premise shared services applications.
- Evaluate each application for business relevance, criticality, integration points, and dependencies to determine which applications should be retained, replaced, or decommissioned.

Separation Planning & Infrastructure Design:
- Develop a detailed plan for separating from the parent company's shared on-premise infrastructure, including data centers, servers, and network resources.

Data Migration & Application Transition:
- Plan and execute the migration of business-critical data from shared services applications to standalone systems or new platforms, ensuring data integrity and minimizing disruption to business operations. If necessary, identify and implement alternative solutions for services that were previously provided by the parent company (e.g., HR systems, financial reporting).

Vendor and License Management:
- Review and renegotiate vendor contracts for on-premise applications and licensing terms, ensuring that all license and support agreements are in place during the transition period as well as for post-transition.

Security & Compliance Considerations:
- Conduct a risk assessment to ensure that the new infrastructure and applications are secure and compliant, with particular attention to user access control, data encryption, and backup protocols.

Integration & Testing:
- Develop a testing plan to validate that all on-premise applications are fully functional and integrate well with other systems.

Key Assumptions

- Necessary skills and resources are in place to manage the migration, or adequate external support will be provided.
- The parent company will cooperate in transferring control of on-premise systems, licenses, and data in a timely manner.
- New IT infrastructure is designed to handle the on-premise applications and can scale with future growth.

Big Rock Transition Items

- Ensuring minimal business disruption during the migration, particularly for critical shared services like payroll, HR, and financial systems.
- Developing a phased migration approach to move applications and data in manageable stages, reducing the risk of service interruptions.
- Establishing clear communication with key stakeholders, including employees who rely on these services, to ensure they understand changes and timelines.

Key Risks

- Downtime & Operational Disruption: Risk of downtime or disruptions in critical shared services (e.g., payroll, HR) during migration.
- Data Migration Challenges: Risk of data loss, corruption, or incomplete migration during the transition
- Security Risks: Increased exposure to cybersecurity threats during the transition, particularly if there are gaps in security protocols
- Cost Overruns: Unforeseen costs related to migrating, licensing, or replacing applications, potentially leading to budget overruns.

Thank You

accenture

May 15, 2025

TO: Jeff Baudier

FROM: Accenture

RE: NMGC Technology Platform Benefits Memorandum

Dear Mr. Baudier:

At your request, and on behalf of NMGC, we have prepared, as System Integrator for the implementation of new information technology ("IT") platforms for the Delta Utilities ("DU") new shared services company ("DU Services"), a perspective regarding (i) how new, modern IT and customer interfaces will differ from existing on-premise IT and customer interfaces; and (ii) descriptions of the customer benefits related to the referenced modernization that DU is seeking, many of which NMGC may achieve as well through similar investments.

Accenture's 30 years of Utility Industry knowledge and relevant technology experience, supplemented by research and analysis, forms the basis for our perspectives outlined herein. In addition, Accenture has been supporting Entergy New Orleans, LLC ("ENO") and Entergy Louisiana, LLC ("ELL") ("Entergy") with divestiture of its natural gas local distribution companies ("LDCs") since March 2023 and has been supporting DU with acquisition-related activities with respect to the acquisition of the Entergy LDCs since November 2023. In this context, Accenture has developed an understanding of various technical and operational considerations also applicable to the acquisition of the natural gas assets of CenterPoint Energy Resource Corporation's natural gas assets in Louisiana and Mississippi.

In consideration of the full scope of technologies necessary to support this transaction, DU is creating a "fit-for-purpose" operational system for a stand-alone gas distribution company. This system represents a significant opportunity to benefit customers with an updated, flexible suite of cloud-based software that will not only align with the following guiding principles but also provide both cost and operational benefits to customers over the life of the system. As the system integrator for this effort, Accenture is aligned with these principles as well. While the proposed path forward for NMGC does not include a full transition to the Cloud or to DU systems, as it adopts these guiding principles, the company will benefit from the learnings and groundwork provided by the DU ecosystem investment.

Guiding Principles

- **Greenfield** – DU Services is a new shared services company being created to support new stand-alone LDCs, and as such has the unique opportunity to design and implement new operating technologies unencumbered with the challenges of legacy technologies and production system maintenance. This opportunity allows for the implementation of a fit-for-purpose technology ecosystem that is designed specifically to accommodate the needs of the new LDCs and their customers, without the limitations that are typical of older legacy software and systems. Virtually all other utilities seeking modernization must upgrade while also operating, which adds complication and cost. DU is laser focused on establishing its "Greenfield" technical footprint. In

Accenture's experience, we estimate this has the potential to be 10-20% more efficient than copying the legacy technology footprint. As NMGC moves forward, it will benefit from this updated ecosystem.

- **Off-the-Shelf Software** – Technologies have been evolving across the industry for decades and while the off-the-shelf software vendor ecosystem is mature, it is evolving rapidly. Vendors consistently update their platforms to maintain relevance and enable innovation across the industry. DU LDC and NMGC customers and communities will benefit from these platforms which have been used across industries and instances. While enabling the unique needs of the varying operating environments, the company will minimize customizations to reduce standup and operating costs and lower likelihood for bespoke errors. This concept ensures adaptability into the future, as the plug and play platforms can be replaced or upgraded to accommodate the evolving needs of DU Services, the DU LDCs, and NMGC.

- **Consolidation** – Legacy platforms evolve over time to include new capabilities as they emerge in the marketplace. This leads to increased complexity in the systems themselves, maintenance of those systems, future enhancements of those systems, as well as the complexity of coordinating a larger set of vendors. An additional benefit to implementing a "Greenfield" technology ecosystem is the ability to deliberately consider fit-for-purpose, fully integrated tools which enable a broader set of functions; and in turn, allows the overall ecosystem to be comprised of few platforms from fewer vendors. This in turn is simpler to build, maintain, and operate.

- **Integration** – Data is used in unique ways across the enterprise for distinct functions. By having integrated, off-the-shelf systems, the usage and manipulation of data is natively established as part of the solutions. This can reduce stand-up and maintenance costs, as well as reduce duplicate data entry of the same data and information into disparate systems. Further, as future needs are identified, these platforms are typically extensible through predefined Application Programming Interfaces (APIs) and integration points which allow data exchanges to be simplified as needs continue to evolve in the future.

- **Scalability** – DU sees the potential that a strong, efficient, modern technology ecosystem could scale to support a larger utility. Thus, by making fit-for-purpose technology design choices today, the company will have the backbone and be better positioned for potential system expansion over the long-term. This will enable the addition of new customers in the future at a low incremental cost per customer and allow the costs to operate to be spread over a broader customer base.

Cloud-Based Software

Cloud has become the common construct for modern IT architecture. Four of the largest cloud providers in the nearly $700bn market[1] – Microsoft (Azure, part of Microsoft Cloud), Amazon (AWS), and Alphabet (Google Cloud), and Oracle (Oracle Cloud) – have seen remarkable adoption over the past decade indicative of industry's preference towards cloud. AWS, for example, has seen 30x revenue growth to $90bn since

[1] https://www.statista.com/outlook/tmo/public-cloud/worldwide

2013[2], Google Cloud 8x to $33bn since 2017[3]; Microsoft Cloud's revenue sits at $111bn[4], and Oracle Cloud's at $35bn[5]. The utilities industry at large has seen slower cloud adoption, encumbered by the nuances of regulated economics and disparate systems. As referenced earlier, while NMGC will continue to maintain some on-premise solutions within its solution ecosystem (Banner, Quorum, Itron, etc.), its decision to strategically and tactically explore Cloud-based and Cloud-hosted system opportunities (here summarized as "cloud-based") is consistent with the customer and value-centric strategies of other major utilities such as:

- **National Grid**'s 2023 Future Grid Plan highlights cloud technologies as a key mechanism by which to improve system reliability specifically noting the avoidance of expensive, specialized hardware, lower energy consumption and increased system uptime with unlimited computing resources[6].
- **Duke Energy**, in one example, is collaborating with AWS to develop cloud-based smart grid solutions which will enable the utility to improve system resiliency, increasingly integrate renewables, and prepare for electric vehicle ("EV") adoption[7].
- **Sempra's San Diego Gas & Electric** has adopted cloud technologies across the organization. Both in core system upgrades to enable improved customer service interactions and insights[8], as well as to remotely conduct studies identifying field assets in need to repair following natural disasters[9].

This broader theme of "utility migration to cloud" is often a positive topic of conversation among utilities industry groups like Electric Edison Institute ("EEI") and Electric Power Research Institute ("EPRI")[10]. Nearly 8 years ago in 2016, the National Association of Regulatory Utility Commissioners ("NARUC") authored *Resolution Encouraging State Utility Commissions to Consider Improving the Regulatory Treatment of Cloud Computing Arrangements* which documents benefits of cloud-based applications.

Cloud-based applications have demonstrated significant benefits within the utility industry. This memorandum describes similar benefits DU and NMGC customers can realize through the deployment of

[2] https://www.statista.com/statistics/233725/development-of-amazon-web-services-revenue/

[3] https://www.statista.com/statistics/478176/google-public-cloud-revenue/

[4] https://www.microsoft.com/investor/reports/ar23/index.html

[5] https://www.oracle.com/news/announcement/q4fy23-earnings-release-2023-06-12/

[6] https://www.nationalgridus.com/media/pdfs/our-company/massachusetts-grid-modernization/future-grid-full-plan-sept2023.pdf

[7] https://news.duke-energy.com/releases/duke-energy-collaborates-with-aws-to-develop-smart-grid-solutions-to-better-serve-customers-and-drive-its-clean-energy-transition

[8] https://www.sdge.com/sites/default/files/FINAL%2520Chapter%252015%2520-%2520Linder%2520Rebuttal%2520Testimony.pdf
https://www.sempra.com/newsroom/spotlight-articles/sempra-named-utility-year-sap

[9] https://www.aboutamazon.com/news/aws/how-machine-learning-and-drones-are-helping-prevent-wildfires

[10] EEI (and AEE): https://info.aee.net/hubfs/Reaching%20for%20the%20Cloud.pdf
EPRI: https://eprijournal.com/the-grid-is-moving-to-the-cloud/

a cloud-based systems solution over an on-premises systems solution, not just upfront but over time as well. These benefits include, but are not limited to:

1. Scalability and Adaptability
2. Security
3. Cost Efficiency
4. Customer Satisfaction
5. Economic Development

Scalability and Adaptability: With evolving customer service expectations, intensifying weather patterns, persistent economic challenges, and aging infrastructure – safe and reliable energy continues to underpin our society. Given this criticality, IT infrastructure must be able to quickly respond to ever-changing market, climate, and system demands. When many legacy on-premises systems were selected and implemented, the market did not demand the rapid deployment of the highly adaptable, dynamic software systems we now see. Today, cloud-based solutions' ability to near-instantly scale capacity (importantly, without rearchitecting or majorly augmenting hardware or software[11]) ensures that variable needs supporting increased scale in:

- **Customer** volume as operations and support services expand.
- **Asset** volume as the system grows and associated work management.
- **Processing** requirements as the volume and complex nature of information increases.

Importantly, each of these above-mentioned scalar drivers are readily mitigated at a low incremental cost. This is critical as utilities face heightened expectations to quickly and efficiently develop actionable insights on assets, field operations, and customer needs, among many more across-enterprise automation and optimization opportunities. Cloud-based systems are designed with this in mind.

Further, as the needs of DU, its LDC customers, NMGC, teammates and the larger market continue to evolve, cloud-based solutions also present a low-cost, flexible pathway to quickly meeting these ever-changing demands. One example of how cloud-based implementations save significant time (weeks to months) over on-premises projects is by eliminating activities associated with the procurement, physical setup and configuration of hardware. This increased speed will benefit both DSU and NMGC customers through quicker adaptation to market and enterprise needs through the coming decades.

Even with this flexible suite of capabilities, cloud-based solutions are incredibly energy efficient; a Microsoft study recently estimated that moving from on-premises to cloud-based systems reduces energy consumption by 22% - 93%[12]. By making fit-for-purpose technology design choices today, DU and NMGC will be better positioned for success in potential data and system expansion over the long-term.

Security: As cybersecurity threats towards infrastructure and energy companies continue to rise, the importance of dedicated teams and rigorous security protocols are magnified. Cloud-based solutions' high level of standardization enables automation of frequent security updates with reduced risk of compromise due to misconfiguration. Further, cloud providers' narrow operational focus elevates physical and cyber security to top priority of a highly skilled, dedicated organization. Cloud providers' economies of scale in

[11] As is required in on-premises systems which are sized at implementation to support a finite volume.

[12] https://go.microsoft.com/fwlink/?linkid=2162433&clcid=0x409&culture=en-us&country=us

cybersecurity operations enable quick mobilization of focused teams when threats arise; DU and NMGC cannot cost-effectively replicate the quality, speed, and rigor of these providers' security outcomes in on-premises environments.

With increasingly common malicious attacks on utility assets[13], physical risk impacting IT infrastructure is also largely mitigated through cloud-based systems. With decentralized systems, unlike on-premises systems, there are no "single points of failure" where physical data centers, servers, or point-to-point telecommunications may be compromised. This decentralization ensures that if one data center or IT asset is compromised, the larger system will not be.

DU and NMGC will better serve their customers by refining and optimizing natural gas operations while cloud providers ensure systems and critical data.

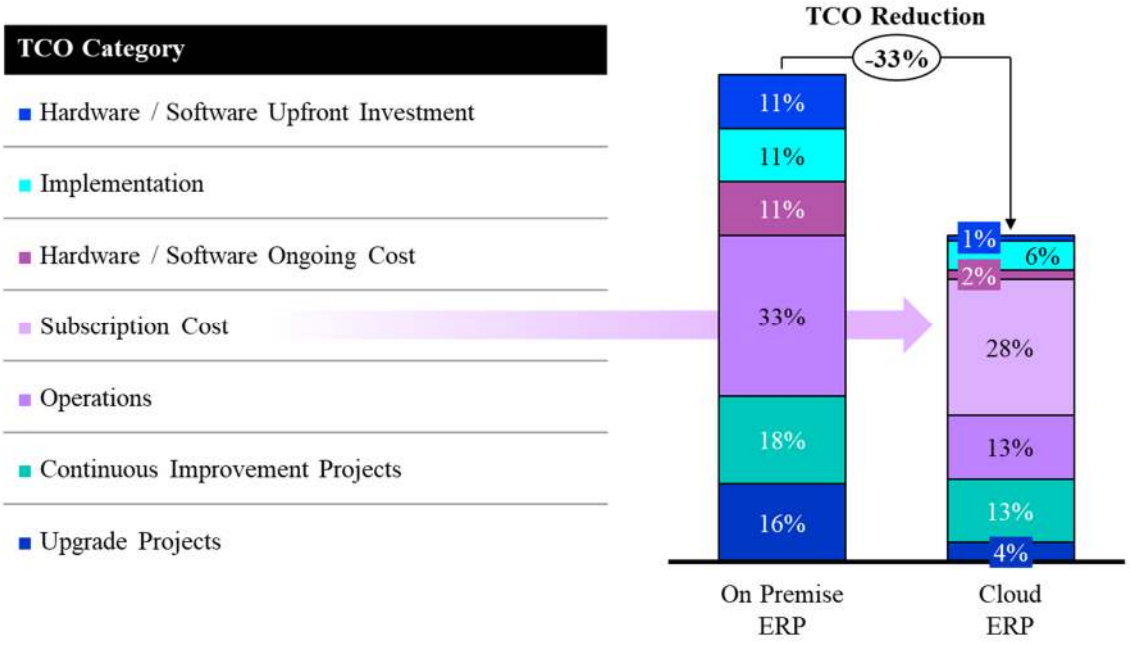
Cost Efficiency: Under a right-sized, fit-for-purpose, gas-dedicated solution, the challenges (and costs) of supporting broad, on-premises legacy systems and unrelated technologies (such as those implemented to support electrical operations) will not fall on natural gas customers. More efficient operations from the unification and standardization of disparate IT systems and improved system maintenance are only a couple of the benefits that will yield improved cost structures in the long-term for DU and NMGC gas customers.

DU Services and NMGC have partnered with Accenture to conceptually consider the cost-savings benefits realized through a cloud-based system. Accenture's experience has found that the specific benefits can vary by software, purpose, and scale (among other characteristics). As a broadly illustrative view, representing a synthesis across dozens of cloud-based deployments from assorted industries, Accenture analysis estimates directional Total Cost of Ownership ("TCO") savings of 33% over seven years in a cloud-based ERP system versus on-premises. This conceptual savings potential is illustrated in the following chart:[14]

On-premises versus Cloud TCO Impacts Estimated for Utility ERP

[13] https://www.oe.netl.doe.gov/OE417_annual_summary.aspx

[14] Based on Accenture's own internal analyses and industry benchmarking studies; not specific to DU Services or NMGC's system.


TCO Category
Hardware / Software Upfront Investment
Implementation
Hardware / Software Ongoing Cost
Subscription Cost
Operations
Continuous Improvement Projects
Upgrade Projects
TCO Reduction
-33%
11%
11%
11%
33%
18%
16%
1%
6%
2%
28%
13%
13%
4%
On Premise ERP
Cloud ERP

Drivers in cost reduction for each of these categories are summarized as follows:[15]

- **Hardware / Software Upfront Investment** is reduced by >90% in two ways, (1) hardware costs are avoided through shared use of the cloud-providers' hardware and (2) software purchases become a subscription rather than upfront investment.
- **Implementation** costs are reduced by 45% as cloud-based systems' fit-to-standard approach reduces configuration effort.
- **Hardware / Software Ongoing Cost** is reduced >80% by transferring infrastructure, application, systems maintenance and operations activities, and associated costs, to the cloud provider through the subscription.
- **Subscription Cost** – the only new cost category in the cloud scenario – is introduced to compensate direct provider support and system ownership. This ownership structure empowers continuous system update and innovation.
- **Operations** costs are decreased by 60% through the reduced scope of effort (as cloud providers take on many responsibilities) as well as a higher degree of standardization.
- **Continuous Improvement Projects** and **Upgrade Projects** see cost reductions of a combined 50% as the burden of upgrades and significant configuration shifts to the provider.

To further underscore the cost savings under a cloud-based system as compared to an on-premises system, it is important to note that the above comparison comments on costs of comparably aged, modern systems. Thus, meaningful cost synergies at implementation and long-term may be realized by bringing this suite of software up-to-date in the cloud. In addition, the above-described benefits of scalability and adaptability, resiliency, security, and cost efficiency focus on the direct impact of cloud-based systems. When considering the wider enterprise benefit of focusing teammates' effort on core business operations and enhanced flexibility and agility, total system uplift will be further multiplied.

***Customer Satisfaction*:** In designing its go-forward solution, understanding the potential impacts to customers is of the utmost importance. Under a more modernized system, several improvements will be made available that should serve to enhance the overall customer experience for gas customers. While the benefit of highest importance to the majority of customers will likely be the cost savings associated with a more efficient and fit-for-purpose IT system, it also is worthwhile considering the non-financial improvements as well. Most notable, every element of interaction with customers will be gas-centric from Customer Service Representative interactions to web portal engagement, to bill interpretation; customers will have streamlined access to important dimensions of their gas service.

Economic Development: Lastly, it is important to address the broader economic development benefits over and above DU and NMGC's cloud-based modern information technology system strategies. The DU LDCs acquisition of the Entergy and CERC gas businesses has driven economic activity since the day it was initially considered and pursued. Several full-time positions have already been created and filled as part of the DU organization, and efforts are underway to determine the steady-state staffing levels to be achieved. This facility will create jobs and provide economic stimulus. NMGC should anticipate similar benefits as it moves forward with its own solution.

[15] Accenture's commentary represents an application of the beneficial outcomes of cloud-technology being realized by other companies across the economy to DU and NMGC because the cost, effort and time required to evaluate on-premises versus cloud solution approaches are too excessive to justify since the prudency and cost-effectiveness of this approach has been widely demonstrated.

Some technical roles required to build out the initial environments will be more temporary and will not be viable as sustained permanent hires. In these cases, DU, NMGC, Entergy and CERC are taking great care to partner with consultants, such as Accenture. Accenture is being positioned to support Entergy and CERC divestiture efforts as well as DU Services' technology build out; in so doing, efficiencies are envisioned to streamline the transition. Further, temporary consultants from companies like Accenture will still spur economic activity at hotels and restaurants while they are supporting these transition activities.

DU Services and NMGC are in the uncommon position to fully embrace the potential of modern technologies to maximize customer savings, customer satisfaction and promote economic development while continuing to provide safe, reliable and affordable natural gas service to customers. While many industries have pivoted to "cloud-first" ecosystems, M&A-built utilities are disadvantaged in this transition by the technical debt of disparate systems, each with their own maintenance and security structures. With the required replacement of systems being retained by Entergy and CERC, DU Services and NMGC must build right-sized and fit-for-purpose solutions for this natural gas-only utility and it is prudent that these should be structured in the cloud.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL TO ACQUIRE NEW MEXICO GAS COMPANY, INC. BY SATURN UTILITIES HOLDCO, LLC.	)	
	)	**Docket No. 24-00266-UT**
JOINT APPLICANTS	)	

ELECTRONICALLY SUBMITTED AFFIRMATION OF MARK S. MIKO

In accordance with 1.2.2.35(A)(3) NMAC and Rule 1-011(B) NMRA, Mark Miko, Chief Information Officer of Delta Utilities, affirms and states under penalty of perjury under the laws of the State of New Mexico: I have read the foregoing Rebuttal Testimony and Exhibits. I further affirmatively state that I know the contents of my Rebuttal Testimony and Exhibits, and they are true and accurate based on my personal knowledge and belief.

SIGNED this 16th day of May 2025.

/s/Mark S. Miko
Mark S. Miko

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL TO ACQUIRE NEW MEXICO GAS COMPANY, INC. BY SATURN UTILITIES HOLDCO, LLC.	)	**Case No. 24-00266-UT**
JOINT APPLICANTS	)	

CERTIFICATE OF SERVICE

I CERTIFY that on this date I sent via email a true and correct copy of ***Rebuttal Testimony and Exhibits of Mark S. Miko***

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DATED this May 16, 2025.

/s/Anita Hart
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