

PNM RESOURCES INC
Form 10-Q
May 01, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

Commission File Number	Name of Registrants, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
001-32462	PNM Resources, Inc. (A New Mexico Corporation) 414 Silver Ave. SW Albuquerque, New Mexico 87102-3289 (505) 241-2700	85-0468296
001-06986	Public Service Company of New Mexico (A New Mexico Corporation) 414 Silver Ave. SW Albuquerque, New Mexico 87102-3289 (505) 241-2700	85-0019030
002-97230	Texas-New Mexico Power Company (A Texas Corporation) 577 N. Garden Ridge Blvd. Lewisville, Texas 75067 (972) 420-4189	75-0204070

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

PNM Resources, Inc. ("PNMR")	YES	ü	NO
Public Service Company of New Mexico ("PNM")	YES	ü	NO
Texas-New Mexico Power Company ("TNMP")	YES		NO ü

(NOTE: As a voluntary filer, not subject to the filing requirements, TNMP filed all reports under Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months.)

Indicate by check mark whether each registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

PNMR
PNM
TNMP

YES ü NO
YES ü NO
YES ü NO

Table of Contents

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller Reporting Company
PNMR	ü			
PNM			ü	
TNMP			ü	

Indicate by check mark whether any of the registrants is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO ü

As of April 24, 2015, 79,653,624 shares of common stock, no par value per share, of PNMR were outstanding.

The total number of shares of common stock of PNM outstanding as of April 24, 2015 was 39,117,799 all held by PNMR (and none held by non-affiliates).

The total number of shares of common stock of TNMP outstanding as of April 24, 2015 was 6,358 all held indirectly by PNMR (and none held by non-affiliates).

PNM AND TNMP MEET THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS (H) (1) (a) AND (b) OF FORM 10-Q AND ARE THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION (H) (2).

This combined Form 10-Q is separately filed by PNMR, PNM, and TNMP. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrants. When this Form 10-Q is incorporated by reference into any filing with the SEC made by PNMR, PNM, or TNMP, as a registrant, the portions of this Form 10-Q that relate to each other registrant are not incorporated by reference therein.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES

INDEX

<u>GLOSSARY</u>	Page No. <u>4</u>
<u>PART I. FINANCIAL INFORMATION</u>	
<u>ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)</u>	
<u>PNM RESOURCES, INC. AND SUBSIDIARIES</u>	
<u>Condensed Consolidated Statements of Earnings</u>	<u>7</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>8</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>9</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>11</u>
<u>Condensed Consolidated Statement of Changes in Equity</u>	<u>13</u>
<u>PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES</u>	
<u>Condensed Consolidated Statements of Earnings</u>	<u>14</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>15</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>16</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>18</u>
<u>Condensed Consolidated Statement of Changes in Equity</u>	<u>20</u>
<u>TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES</u>	
<u>Condensed Consolidated Statements of Earnings</u>	<u>21</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>22</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>23</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>24</u>
<u>Condensed Consolidated Statement of Changes in Common Stockholder's Equity</u>	<u>26</u>
<u>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>27</u>
<u>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>72</u>
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>101</u>
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	<u>104</u>
<u>PART II. OTHER INFORMATION</u>	
<u>ITEM 1. LEGAL PROCEEDINGS</u>	<u>104</u>
<u>ITEM 1A. RISK FACTORS</u>	<u>105</u>
<u>ITEM 6. EXHIBITS</u>	<u>105</u>
<u>SIGNATURE</u>	<u>107</u>

Table of Contents

GLOSSARY

Definitions:

Afton	Afton Generating Station
AFUDC	Allowance for Funds Used During Construction
ALJ	Administrative Law Judge
AMS	Advanced Meter System
AOCI	Accumulated Other Comprehensive Income
APS	Arizona Public Service Company, the operator and a co-owner of PVNGS and Four Corners
ASU	Accounting Standards Update
BACT	Best Available Control Technology
BART	Best Available Retrofit Technology
BDT	Balanced Draft Technology
BHP	BHP Billiton, Ltd, the parent of SJCC
Board	Board of Directors of PNMR
BTU	British Thermal Unit
CAA	Clean Air Act
CCB	Coal Combustion Byproducts
CCN	Certificate of Convenience and Necessity
CO ₂	Carbon Dioxide
CTC	Competition Transition Charge
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
Delta	Delta-Person Generating Station, now known as Rio Bravo
DOE	United States Department of Energy
DOI	United States Department of Interior
EGU	Electric Generating Unit
EIB	New Mexico Environmental Improvement Board
EIP	Eastern Interconnection Project
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
EPE	El Paso Electric
ERCOT	Electric Reliability Council of Texas
ESA	Endangered Species Act
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FIP	Federal Implementation Plan
Four Corners	Four Corners Power Plant
FPPAC	Fuel and Purchased Power Adjustment Clause
GAAP	Generally Accepted Accounting Principles in the United States of America
Gallup	City of Gallup, New Mexico
GHG	Greenhouse Gas Emissions
GWh	Gigawatt hours
IBEW	International Brotherhood of Electrical Workers
IRP	Integrated Resource Plan
ISFSI	Independent Spent Fuel Storage Installation
KW	Kilowatt
KWh	Kilowatt Hour
	Lightning Dock geothermal power facility, also known as the Dale Burgett Geothermal Plant

Lightning Dock
Geothermal

4

Table of Contents

Lordsburg	Lordsburg Generating Station
Luna	Luna Energy Facility
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MMBTU	Million BTUs
Moody's	Moody's Investor Services, Inc.
MW	Megawatt
MWh	Megawatt Hour
NAAQS	National Ambient Air Quality Standards
Navajo Acts	Navajo Nation Air Pollution Prevention and Control Act, Navajo Nation Safe Drinking Water Act, and Navajo Nation Pesticide Act
NDT	Nuclear Decommissioning Trusts for PVNGS
NEC	Navopache Electric Cooperative, Inc.
NEPA	National Environmental Policy Act
NERC	North American Electric Reliability Corporation
New Mexico Wind	New Mexico Wind Energy Center
NMAG	New Mexico Attorney General
NMED	New Mexico Environment Department
NMIEC	New Mexico Industrial Energy Consumers Inc.
NMPRC	New Mexico Public Regulation Commission
NOx	Nitrogen Oxides
NOPR	Notice of Proposed Rulemaking
NRC	United States Nuclear Regulatory Commission
NSPS	New Source Performance Standards
NSR	New Source Review
OCI	Other Comprehensive Income
OPEB	Other Post Employment Benefits
OSM	United States Office of Surface Mining Reclamation and Enforcement
PCRBs	Pollution Control Revenue Bonds
PG&E	Pacific Gas and Electric Co.
PNM	Public Service Company of New Mexico and Subsidiaries
PNM 2013 Term Loan Agreement	PNM's \$75.0 Million Unsecured Term Loan
PNM 2014 Term Loan Agreement	PNM's \$175.0 Million Unsecured Term Loan
PNM Multi-draw Term Loan	PNM's \$125.0 Million Unsecured Multi-draw Term Loan Facility
PNM New Mexico Credit Facility	PNM's \$50.0 Million Unsecured Revolving Credit Facility
PNM Revolving Credit Facility	PNM's \$400.0 Million Unsecured Revolving Credit Facility
PNMR	PNM Resources, Inc. and Subsidiaries
PNMR 2015 Term Loan Agreement	PNMR's \$150.0 Million Unsecured Term Loan
PNMR Development	PNMR Development and Management Company, an unregulated wholly-owned subsidiary of PNMR
PNMR Revolving Credit Facility	PNMR's \$300.0 Million Unsecured Revolving Credit Facility
PNMR Term Loan Agreement	PNMR's \$100.0 Million Unsecured Term Loan

PPA	Power Purchase Agreement
PSD	Prevention of Significant Deterioration
PUCT	Public Utility Commission of Texas

Table of Contents

PV	Photovoltaic
PVNGS	Palo Verde Nuclear Generating Station
RA	San Juan Project Restructuring Agreement
RCRA	Resource Conservation and Recovery Act
RCT	Reasonable Cost Threshold
REA	New Mexico's Renewable Energy Act of 2004
REC	Renewable Energy Certificates
Red Mesa Wind	Red Mesa Wind Energy Center
REP	Retail Electricity Provider
Rio Bravo	Rio Bravo Generating Station, formerly known as Delta
RMC	Risk Management Committee
ROE	Return on Equity
RPS	Renewable Energy Portfolio Standard
RSIP	Revised State Implementation Plan
SCE	Southern California Edison Company
SCR	Selective Catalytic Reduction
SEC	United States Securities and Exchange Commission
SIP	State Implementation Plan
SJCC	San Juan Coal Company
SJGS	San Juan Generating Station
SJPPA	San Juan Project Participation Agreement
SNCR	Selective Non-Catalytic Reduction
SO ₂	Sulfur Dioxide
SPS	Southwestern Public Service Company
S&P	Standard and Poor's Ratings Services
TCEQ	Texas Commission on Environmental Quality
TECA	Texas Electric Choice Act
Tenth Circuit	United States Court of Appeals for the Tenth Circuit
TNMP	Texas-New Mexico Power Company and Subsidiaries
TNMP 2011 Term Loan Agreement	TNMP's \$50.0 Million Secured Term Loan
TNMP Revolving Credit Facility	TNMP's \$75.0 Million Secured Revolving Credit Facility
Tucson	Tucson Electric Power Company
Valencia	Valencia Energy Facility
VaR	Value at Risk
WACC	Weighted Average Cost of Capital
WEG	WildEarth Guardians

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PNM RESOURCES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
 (Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands, except per share amounts)	
Electric Operating Revenues	\$332,868	\$328,897
Operating Expenses:		
Cost of energy	115,645	112,614
Administrative and general	43,859	43,859
Energy production costs	42,669	47,288
Regulatory disallowances	215	—
Depreciation and amortization	45,461	41,965
Transmission and distribution costs	16,487	16,906
Taxes other than income taxes	18,963	17,512
Total operating expenses	283,299	280,144
Operating income	49,569	48,753
Other Income and Deductions:		
Interest income	1,750	2,117
Gains on available-for-sale securities	4,024	2,573
Other income	4,961	1,574
Other (deductions)	(3,662)	(2,931)
Net other income and deductions	7,073	3,333
Interest Charges	30,273	29,535
Earnings before Income Taxes	26,369	22,551
Income Taxes	8,517	6,420
Net Earnings	17,852	16,131
(Earnings) Attributable to Valencia Non-controlling Interest	(3,380)	(3,531)
Preferred Stock Dividend Requirements of Subsidiary	(132)	(132)
Net Earnings Attributable to PNMR	\$14,340	\$12,468
Net Earnings Attributable to PNMR per Common Share:		
Basic	\$0.18	\$0.16
Diluted	\$0.18	\$0.16
Dividends Declared per Common Share	\$0.200	\$0.185

The accompanying notes, as they relate to PNMR, are an integral part of these financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Net Earnings	\$17,852	\$16,131
Other Comprehensive Income:		
Unrealized Gain on Available-for-Sale Securities:		
Unrealized holding gains arising during the period, net of income tax (expense) of \$(2,679) and \$(1,332)	4,157	2,047
Reclassification adjustment for (gains) included in net earnings, net of income tax expense of \$1,635 and \$1,283	(2,537)	(1,972)
Pension Liability Adjustment:		
Reclassification adjustment for amortization of experience (gain) loss recognized as net periodic benefit cost, net of income tax expense (benefit) of \$(583) and \$(508)	905	780
Fair Value Adjustment for Cash Flow Hedges:		
Change in fair market value, net of income tax (expense) benefit of \$0 and \$53	—	(100)
Reclassification adjustment for (gains) losses included in net earnings, net of income tax expense (benefit) of \$0 and \$(19)	—	36
Total Other Comprehensive Income	2,525	791
Comprehensive Income	20,377	16,922
Comprehensive (Income) Attributable to Valencia Non-controlling Interest	(3,380)	(3,531)
Preferred Stock Dividend Requirements of Subsidiary	(132)	(132)
Comprehensive Income Attributable to PNMR	\$16,865	\$13,259

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Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Cash Flows From Operating Activities:		
Net earnings	\$17,852	\$16,131
Adjustments to reconcile net earnings to net cash flows from operating activities:		
Depreciation and amortization	55,062	51,949
Deferred income tax expense	8,326	6,276
Net unrealized (gains) losses on commodity derivatives	1,720	2,761
Realized (gains) on available-for-sale securities	(4,024)) (2,573)
Stock based compensation expense	2,214	2,131
Regulatory disallowances	215	—
Other, net	148	1,005
Changes in certain assets and liabilities:		
Accounts receivable and unbilled revenues	12,170	17,207
Materials, supplies, and fuel stock	(2,657)) 5,894
Other current assets	3,817	8,344
Other assets	4,220	6,386
Accounts payable	(2,639)) (34,373)
Accrued interest and taxes	24,811	25,813
Other current liabilities	(21,223)) (30,359)
Other liabilities	(33,278)) (199)
Net cash flows from operating activities	66,734	76,393
Cash Flows From Investing Activities:		
Additions to utility and non-utility plant	(100,214)) (83,838)
Proceeds from sales of available-for-sale securities	31,852	22,804
Purchases of available-for-sale securities	(32,661)) (23,612)
Return of principal on PVNGS lessor notes	14,188	10,231
Other, net	144	13
Net cash flows from investing activities	(86,691)) (74,402)

The accompanying notes, as they relate to PNMR, are an integral part of these financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Cash Flows From Financing Activities:		
Short-term borrowings (repayments), net	(5,600) (49,200
Long-term borrowings	150,000	175,000
Repayment of long-term debt	—	(75,000
Proceeds from stock option exercise	6,847	3,258
Awards of common stock	(17,140) (11,639
Dividends paid	(16,063) (14,868
Valencia's transactions with its owner	(4,160) (4,369
Other, net	194	(539
Net cash flows from financing activities	114,078	22,643
Change in Cash and Cash Equivalents	94,121	24,634
Cash and Cash Equivalents at Beginning of Period	28,274	2,533
Cash and Cash Equivalents at End of Period	\$122,395	\$27,167
Supplemental Cash Flow Disclosures:		
Interest paid, net of amounts capitalized	\$6,191	\$4,718
Income taxes paid (refunded), net	\$(1,450) \$(1,419
Supplemental schedule of noncash investing and financing activities:		
Changes in accrued plant additions	\$5,186	\$(13,095

The accompanying notes, as they relate to PNMR, are an integral part of these financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

	March 31, 2015 (In thousands)	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 122,395	\$ 28,274
Accounts receivable, net of allowance for uncollectible accounts of \$1,466 and \$1,466	89,844	87,038
Unbilled revenues	48,042	63,719
Other receivables	37,898	39,857
Materials, supplies, and fuel stock	66,284	63,628
Regulatory assets	33,550	47,855
Commodity derivative instruments	9,342	11,232
Income taxes receivable	4,719	6,360
Current portion of accumulated deferred income taxes	26,383	26,383
Other current assets	65,264	58,471
Total current assets	503,721	432,817
Other Property and Investments:		
Investment in PVNGS lessor notes	—	9,538
Available-for-sale securities	257,464	250,145
Other investments	509	1,762
Non-utility property	3,406	3,406
Total other property and investments	261,379	264,851
Utility Plant:		
Plant in service and plant held for future use	5,982,387	5,941,581
Less accumulated depreciation and amortization	1,971,832	1,939,760
	4,010,555	4,001,821
Construction work in progress	230,014	190,389
Nuclear fuel, net of accumulated amortization of \$51,203 and \$44,507	79,208	77,796
Net utility plant	4,319,777	4,270,006
Deferred Charges and Other Assets:		
Regulatory assets	481,057	491,007
Goodwill	278,297	278,297
Other deferred charges	95,108	92,347
Total deferred charges and other assets	854,462	861,651
	\$ 5,939,339	\$ 5,829,325

The accompanying notes, as they relate to PNMR, are an integral part of these financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

	March 31, 2015	December 31, 2014
	(In thousands, except share information)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Short-term debt	\$ 100,000	\$ 105,600
Current installments of long-term debt	333,066	333,066
Accounts payable	102,204	110,029
Customer deposits	12,791	12,555
Accrued interest and taxes	77,234	53,863
Regulatory liabilities	178	1,703
Commodity derivative instruments	1,235	1,209
Dividends declared	16,063	16,063
Other current liabilities	50,263	70,194
Total current liabilities	693,034	704,282
Long-term Debt	1,791,941	1,642,024
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	902,901	891,111
Regulatory liabilities	470,180	466,143
Asset retirement obligations	106,267	104,170
Accrued pension liability and postretirement benefit cost	75,236	110,738
Commodity derivative instruments	277	477
Other deferred credits	100,816	103,759
Total deferred credits and other liabilities	1,655,677	1,676,398
Total liabilities	4,140,652	4,022,704
Commitments and Contingencies (See Note 11)		
Cumulative Preferred Stock of Subsidiary without mandatory redemption requirements (\$100 stated value; 10,000,000 shares authorized; issued and outstanding 115,293 shares)		
	11,529	11,529
Equity:		
PNMR common stockholders' equity:		
Common stock outstanding (no par value; 120,000,000 shares authorized; issued and outstanding 79,653,624 shares)	1,165,757	1,173,845
Accumulated other comprehensive income (loss), net of income taxes	(59,230) (61,755
Retained earnings	607,865	609,456
Total PNMR common stockholders' equity	1,714,392	1,721,546
Non-controlling interest in Valencia	72,766	73,546
Total equity	1,787,158	1,795,092
	\$5,939,339	\$5,829,325

The accompanying notes, as they relate to PNMR, are an integral part of these financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)

	Attributable to PNMR			Total PNMR	Non-	Total
	Common	AOCI	Retained	Common	controlling	Equity
	Stock		Earnings	Stockholder's	Interest	
				Equity	in Valencia	
	(In thousands)					
Balance at December 31, 2014	\$1,173,845	\$(61,755)	\$609,456	\$1,721,546	\$73,546	\$1,795,092
Proceeds from stock option exercise	6,847	—	—	6,847	—	6,847
Awards of common stock	(17,140)	—	—	(17,140)	—	(17,140)
Excess tax (shortfall) from stock-based payment arrangements	(9)	—	—	(9)	—	(9)
Stock based compensation expense	2,214	—	—	2,214	—	2,214
Valencia's transactions with its owner—	—	—	—	—	(4,160)	(4,160)
Net earnings before subsidiary preferred stock dividends	—	—	14,472	14,472	3,380	17,852
Subsidiary preferred stock dividends	—	—	(132)	(132)	—	(132)
Total other comprehensive income	—	2,525	—	2,525	—	2,525
Dividends declared on common stock	—	—	(15,931)	(15,931)	—	(15,931)
Balance at March 31, 2015	\$1,165,757	\$(59,230)	\$607,865	\$1,714,392	\$72,766	\$1,787,158

The accompanying notes, as they relate to PNMR, are an integral part of these financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Electric Operating Revenues	\$261,940	\$262,736
Operating Expenses:		
Cost of energy	97,866	96,626
Administrative and general	39,567	38,609
Energy production costs	42,669	47,288
Regulatory disallowances	215	—
Depreciation and amortization	28,403	27,082
Transmission and distribution costs	10,769	11,327
Taxes other than income taxes	10,796	10,500
Total operating expenses	230,285	231,432
Operating income	31,655	31,304
Other Income and Deductions:		
Interest income	1,771	2,128
Gains on available-for-sale securities	4,024	2,573
Other income	3,392	1,113
Other (deductions)	(1,606)	(2,018)
Net other income and deductions	7,581	3,796
Interest Charges	19,959	19,812
Earnings before Income Taxes	19,277	15,288
Income Taxes	5,775	4,083
Net Earnings	13,502	11,205
(Earnings) Attributable to Valencia Non-controlling Interest	(3,380)	(3,531)
Net Earnings Attributable to PNM	10,122	7,674
Preferred Stock Dividends Requirements	(132)	(132)
Net Earnings Available for PNM Common Stock	\$9,990	\$7,542

The accompanying notes, as they relate to PNM, are an integral part of these financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Net Earnings	\$ 13,502	\$ 11,205
Other Comprehensive Income:		
Unrealized Gain on Available-for-Sale Securities:		
Unrealized holding gains arising during the period, net of income tax (expense) of \$(2,679) and \$(1,332)	4,157	2,047
Reclassification adjustment for (gains) included in net earnings, net of income tax expense of \$1,635 and \$1,283	(2,537) (1,972
Pension Liability Adjustment:		
Reclassification adjustment for amortization of experience (gain) loss recognized as net periodic benefit cost, net of income tax expense (benefit) of \$(583) and \$(508)	905	780
Total Other Comprehensive Income	2,525	855
Comprehensive Income	16,027	12,060
Comprehensive (Income) Attributable to Valencia Non-controlling Interest	(3,380) (3,531
Comprehensive Income Attributable to PNM	\$ 12,647	\$ 8,529

The accompanying notes, as they relate to PNM, are an integral part of these financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Cash Flows From Operating Activities:		
Net earnings	\$13,502	\$11,205
Adjustments to reconcile net earnings to net cash flows from operating activities:		
Depreciation and amortization	37,470	35,950
Deferred income tax expense	5,908	4,185
Net unrealized (gains) losses on commodity derivatives	1,720	2,761
Realized (gains) on available-for-sale securities	(4,024)) (2,573)
Regulatory disallowances	215	—
Other, net	(974)) 1,042
Changes in certain assets and liabilities:		
Accounts receivable and unbilled revenues	12,385	15,018
Materials, supplies, and fuel stock	(2,558)) 5,974
Other current assets	5,110	6,809
Other assets	4,479	6,042
Accounts payable	4,622	(31,847)
Accrued interest and taxes	22,832	22,362
Other current liabilities	(18,836)) (29,609)
Other liabilities	(30,178)) (806)
Net cash flows from operating activities	51,673	46,513
Cash Flows From Investing Activities:		
Utility plant additions	(81,988)) (51,594)
Proceeds from sales of available-for-sale securities	31,852	22,804
Purchases of available-for-sale securities	(32,661)) (23,612)
Return of principal on PVNGS lessor notes	14,188	10,231
Other, net	144	(1)
Net cash flows from investing activities	(68,465)) (42,172)

The accompanying notes, as they relate to PNM, are an integral part of these financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Cash Flows From Financing Activities:		
Short-term borrowings (repayments), net	—	(49,200)
Short-term borrowings (repayments), affiliate, net	—	(32,500)
Long-term borrowings	—	175,000
Repayment of long-term debt	—	(75,000)
Valencia's transactions with its owner	(4,160)	(4,369)
Dividends paid	(132)	(132)
Other, net	(144)	(409)
Net cash flows from financing activities	(4,436)	13,390
Change in Cash and Cash Equivalents	(21,228)	17,731
Cash and Cash Equivalents at Beginning of Period	25,480	21
Cash and Cash Equivalents at End of Period	\$4,252	\$17,752
Supplemental Cash Flow Disclosures:		
Interest paid, net of amounts capitalized	\$4,287	\$4,222
Income taxes paid (refunded), net	\$(1,450)	\$(215)
Supplemental schedule of noncash investing activities:		
Changes in accrued plant additions	\$7,421	\$(8,133)

The accompanying notes, as they relate to PNM, are an integral part of these financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2015	December 31, 2014
	(In thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$4,252	\$25,480
Accounts receivable, net of allowance for uncollectible accounts of \$1,466 and \$1,466	67,420	67,622
Unbilled revenues	41,255	54,140
Other receivables	33,636	37,622
Affiliate receivables	8,819	8,853
Materials, supplies, and fuel stock	63,416	60,859
Regulatory assets	29,932	43,980
Commodity derivative instruments	9,342	11,232
Income taxes receivable	4,788	6,105
Current portion of accumulated deferred income taxes	12,418	12,418
Other current assets	60,399	53,095
Total current assets	335,677	381,406
Other Property and Investments:		
Investment in PVNGS lessor notes	—	9,538
Available-for-sale securities	257,464	250,145
Other investments	267	397
Non-utility property	96	96
Total other property and investments	257,827	260,176
Utility Plant:		
Plant in service and plant held for future use	4,614,218	4,581,066
Less accumulated depreciation and amortization	1,506,576	1,486,406
	3,107,642	3,094,660
Construction work in progress	199,367	169,673
Nuclear fuel, net of accumulated amortization of \$51,203 and \$44,507	79,208	77,796
Net utility plant	3,386,217	3,342,129
Deferred Charges and Other Assets:		
Regulatory assets	349,295	357,045
Goodwill	51,632	51,632
Other deferred charges	83,839	81,264
Total deferred charges and other assets	484,766	489,941
	\$4,464,487	\$4,473,652

The accompanying notes, as they relate to PNM, are an integral part of these financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2015	December 31, 2014
	(In thousands, except share information)	
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current installments of long-term debt	\$214,300	\$214,300
Accounts payable	83,257	86,055
Affiliate payables	15,812	18,232
Customer deposits	12,791	12,555
Accrued interest and taxes	51,015	29,298
Regulatory liabilities	178	1,703
Commodity derivative instruments	1,235	1,209
Dividends declared	132	132
Other current liabilities	36,923	52,053
Total current liabilities	415,643	415,537
Long-term Debt	1,276,366	1,276,357
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	725,130	715,814
Regulatory liabilities	429,698	425,481
Asset retirement obligations	105,258	103,182
Accrued pension liability and postretirement benefit cost	67,706	102,850
Commodity derivative instruments	277	477
Other deferred credits	84,743	86,023
Total deferred credits and liabilities	1,412,812	1,433,827
Total liabilities	3,104,821	3,125,721
Commitments and Contingencies (See Note 11)		
Cumulative Preferred Stock		
without mandatory redemption requirements (\$100 stated value; 10,000,000 authorized; issued and outstanding 115,293 shares)	11,529	11,529
Equity:		
PNM common stockholder's equity:		
Common stock outstanding (no par value; 40,000,000 shares authorized; issued and outstanding 39,117,799 shares)	1,061,776	1,061,776
Accumulated other comprehensive income (loss), net of income taxes	(59,230)	(61,755)
Retained earnings	272,825	262,835
Total PNM common stockholder's equity	1,275,371	1,262,856
Non-controlling interest in Valencia	72,766	73,546
Total equity	1,348,137	1,336,402
	\$4,464,487	\$4,473,652

The accompanying notes, as they relate to PNM, are an integral part of these financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)

	Attributable to PNM			Total PNM Common Stockholder's Equity	Non- controlling Interest in Valencia	Total Equity
	Common Stock (In thousands)	AOCI	Retained Earnings			
Balance at December 31, 2014	\$1,061,776	\$(61,755)	\$262,835	\$1,262,856	\$73,546	\$1,336,402
Valencia's transactions with its owner	—	—	—	—	(4,160)	(4,160)
Net earnings	—	—	10,122	10,122	3,380	13,502
Total other comprehensive income	—	2,525	—	2,525	—	2,525
Dividends declared on preferred stock	—	—	(132)	(132)	—	(132)
Balance at March 31, 2015	\$1,061,776	\$(59,230)	\$272,825	\$1,275,371	\$72,766	\$1,348,137

The accompanying notes, as they relate to PNM, are an integral part of these financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Electric Operating Revenues	\$70,928	\$66,161
Operating Expenses:		
Cost of energy	17,779	15,988
Administrative and general	9,833	9,840
Depreciation and amortization	13,458	11,842
Transmission and distribution costs	5,718	5,579
Taxes other than income taxes	6,209	5,650
Total operating expenses	52,997	48,899
Operating income	17,931	17,262
Other Income and Deductions:		
Other income	1,540	420
Other (deductions)	(249)	(231)
Net other income and deductions	1,291	189
Interest Charges	6,925	6,598
Earnings before Income Taxes	12,297	10,853
Income Taxes	4,603	4,050
Net Earnings	\$7,694	\$6,803

The accompanying notes, as they relate to TNMP, are an integral part of these financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Net Earnings	\$7,694	\$6,803
Other Comprehensive Income (Loss):		
Fair Value Adjustment for Cash Flow Hedges:		
Change in fair market value, net of income tax (expense) benefit of \$0 and \$53	—	(100)
Reclassification adjustment for (gains) losses included in net earnings, net of income tax expense (benefit) of \$0 and \$(19)	—	36
Total Other Comprehensive Income (Loss)	—	(64)
Comprehensive Income	\$7,694	\$6,739

The accompanying notes, as they relate to TNMP, are an integral part of these financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(In thousands)	
Cash Flows From Operating Activities:		
Net earnings	\$7,694	\$6,803
Adjustments to reconcile net earnings to net cash flows from operating activities:		
Depreciation and amortization	13,831	12,851
Deferred income tax expense	4,170	3,665
Other, net	—	(36)
Changes in certain assets and liabilities:		
Accounts receivable and unbilled revenues	(215)) 2,189
Materials and supplies	(99)) (81)
Other current assets	981	2,446
Other assets	(139)) 302
Accounts payable	(7,640)) (2,551)
Accrued interest and taxes	(2,006)) 335
Other current liabilities	368	(1,768)
Other liabilities	(3,631)) 1,465
Net cash flows from operating activities	13,314	25,620
Cash Flows From Investing Activities:		
Utility plant additions	(13,763)) (27,420)
Net cash flows from investing activities	(13,763)) (27,420)
Cash Flow From Financing Activities:		
Short-term borrowings (repayments), net	(5,000)) —
Short-term borrowings (repayments) – affiliate, net	5,800	1,800
Net cash flows from financing activities	800	1,800
Change in Cash and Cash Equivalents	351	—
Cash and Cash Equivalents at Beginning of Period	1	1
Cash and Cash Equivalents at End of Period	\$352	\$1
Supplemental Cash Flow Disclosures:		
Interest paid, net of amounts capitalized	\$1,664	\$73
Income taxes paid (refunded), net	\$—	\$(1,204)
Supplemental schedule of noncash investing and financing activities:		
Changes in accrued plant additions	\$(2,537)) \$(1,109)

The accompanying notes, as they relate to TNMP, are an integral part of these financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2015	December 31, 2014
	(In thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$352	\$1
Accounts receivable	22,424	19,416
Unbilled revenues	6,787	9,579
Other receivables	1,220	2,063
Materials and supplies	2,868	2,769
Regulatory assets	3,618	3,875
Current portion of accumulated deferred income taxes	6,398	6,398
Other current assets	1,057	938
Total current assets	44,724	45,039
Other Property and Investments:		
Other investments	242	242
Non-utility property	2,240	2,240
Total other property and investments	2,482	2,482
Utility Plant:		
Plant in service and plant held for future use	1,188,967	1,182,112
Less accumulated depreciation and amortization	383,711	375,407
	805,256	806,705
Construction work in progress	23,427	16,538
Net utility plant	828,683	823,243
Deferred Charges and Other Assets:		
Regulatory assets	131,762	133,962
Goodwill	226,665	226,665
Other deferred charges	9,094	8,850
Total deferred charges and other assets	367,521	369,477
	\$1,243,410	\$1,240,241

The accompanying notes, as they relate to TNMP, are an integral part of these financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2015	December 31, 2014
	(In thousands, except share information)	
LIABILITIES AND STOCKHOLDER’S EQUITY		
Current Liabilities:		
Short-term debt	\$—	\$5,000
Short-term debt – affiliate	28,500	22,700
Accounts payable	9,101	14,203
Affiliate payables	2,120	2,469
Accrued interest and taxes	26,568	28,574
Other current liabilities	2,986	2,271
Total current liabilities	69,275	75,217
Long-term Debt	365,575	365,667
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	222,171	217,945
Regulatory liabilities	40,482	40,662
Asset retirement obligations	866	848
Accrued pension liability and postretirement benefit cost	7,530	7,888
Other deferred credits	5,152	7,349
Total deferred credits and other liabilities	276,201	274,692
Total liabilities	711,051	715,576
Commitments and Contingencies (See Note 11)		
Common Stockholder’s Equity:		
Common stock outstanding (\$10 par value; 12,000,000 shares authorized; issued and outstanding 6,358 shares)	64	64
Paid-in-capital	404,166	404,166
Retained earnings	128,129	120,435
Total common stockholder’s equity	532,359	524,665
	\$1,243,410	\$1,240,241

The accompanying notes, as they relate to TNMP, are an integral part of these financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES

A WHOLLY OWNED SUBSIDIARY OF PNM RESOURCES, INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN COMMON STOCKHOLDER'S EQUITY

(Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings	Total Common Stockholder's Equity
	(In thousands)			
Balance at December 31, 2014	\$64	\$404,166	\$120,435	\$524,665
Net earnings	—	—	7,694	7,694
Balance at March 31, 2015	\$64	\$404,166	\$128,129	\$532,359

The accompanying notes, as they relate to TNMP, are an integral part of these financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Significant Accounting Policies and Responsibility for Financial Statements

Financial Statement Preparation

In the opinion of management, the accompanying unaudited interim Condensed Consolidated Financial Statements reflect all normal and recurring accruals and adjustments that are necessary to present fairly the consolidated financial position at March 31, 2015 and December 31, 2014 and the consolidated results of operations, comprehensive income, and the cash flows for the three months ended March 31, 2015 and 2014. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could ultimately differ from those estimated. Weather causes the Company's results of operations to be seasonal in nature and the results of operations presented in the accompanying Condensed Consolidated Financial Statements are not necessarily representative of operations for an entire year.

The Notes to Condensed Consolidated Financial Statements include disclosures for PNMR, PNM, and TNMP. This report uses the term "Company" when discussing matters of common applicability to PNMR, PNM, and TNMP. Discussions regarding only PNMR, PNM, or TNMP are so indicated. Certain amounts in the 2014 Condensed Consolidated Financial Statements and Notes thereto have been reclassified to conform to the 2015 financial statement presentation.

These Condensed Consolidated Financial Statements are unaudited. Certain information and note disclosures normally included in the annual Consolidated Financial Statements have been condensed or omitted, as permitted under the applicable rules and regulations. Readers of these financial statements should refer to PNMR's, PNM's, and TNMP's audited Consolidated Financial Statements and Notes thereto that are included in their respective 2014 Annual Reports on Form 10-K.

GAAP defines subsequent events as events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. Based on their nature, magnitude, and timing, certain subsequent events may be required to be reflected at the balance sheet date and/or required to be disclosed in the financial statements. The Company has evaluated subsequent events as required by GAAP.

Principles of Consolidation

The Condensed Consolidated Financial Statements of each of PNMR, PNM, and TNMP include their accounts and those of subsidiaries in which that entity owns a majority voting interest. PNM began consolidating Rio Bravo, formerly known as Delta, upon its acquisition on July 17, 2014. PNM also consolidates the PVNGS Capital Trust and Valencia. PNM owns undivided interests in several jointly-owned power plants and records its pro-rata share of the assets, liabilities, and expenses for those plants. The agreements for the jointly-owned plants provide that if an owner were to default on its payment obligations, the non-defaulting owners would be responsible for their proportionate share of the obligations of the defaulting owner. In exchange, the non-defaulting owners would be entitled to their proportionate share of the generating capacity of the defaulting owner. There have been no such payment defaults

under any of the agreements for the jointly-owned plants.

PNMR shared services' administrative and general expenses, which represent costs that are primarily driven by corporate level activities, are charged to the business segments at cost. Other significant intercompany transactions between PNMR, PNM, and TNMP include interest and income tax sharing payments, as well as equity transactions. All intercompany transactions and balances have been eliminated. See Note 14.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

New Accounting Pronouncements

Information concerning recently issued accounting pronouncements that have not been adopted by the Company is presented below.

Accounting Standards Update 2014-09 – Revenue from Contracts with Customers (Topic 606)

On May 28, 2014, the FASB issued ASU No. 2014-09. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for the Company beginning on January 1, 2017. Early adoption is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. On April 1, 2015, the FASB announced that it intends to propose a one-year delay in the effective date of ASU 2014-09. The Company is analyzing the impacts this new standard will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

Accounting Standards Update 2014-15 – Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern

On August 27, 2014, the FASB issued ASU No. 2014-15, which requires management to evaluate whether there is substantial doubt about a company's ability to continue as a going concern in connection with the preparation of financial statements for each annual and interim reporting period. Disclosure requirements associated with management's evaluation are also outlined in the new guidance. The new standard is effective for the Company for reporting periods ending after December 15, 2016, with early adoption permitted. The Company is in the process of analyzing the impacts of this new standard.

Accounting Standards Update 2015-03 - Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs

On April 7, 2015, the FASB issued ASU No. 2015-03, which requires that issuance costs related to a recognized debt liability be presented in the balance sheet as a direct reduction of the carrying amount of that debt and not as an asset. The ASU is effective for the Company for reporting periods beginning after December 15, 2015, with early adoption permitted. The Company is in process of evaluating the impacts of the ASU. Currently, unamortized debt issuance costs are included in other deferred charges on the Condensed Consolidated Balance Sheets and, at March 31, 2015, amounted to \$17.7 million for PNMR, \$10.7 million for PNM, and \$5.4 million for TNMP.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(2) Earnings Per Share

In accordance with GAAP, dual presentation of basic and diluted earnings per share is presented in the Condensed Consolidated Statements of Earnings of PNMR. Information regarding the computation of earnings per share is as follows:

	Three Months Ended March 31,	
	2015	2014
	(In thousands, except per share amounts)	
Net Earnings Attributable to PNMR	\$ 14,340	\$ 12,468
Average Number of Common Shares:		
Outstanding during period	79,654	79,654
Vested awards of restricted stock	112	182
Average Shares – Basic	79,766	79,836
Dilutive Effect of Common Stock Equivalents ⁽¹⁾ :		
Stock options and restricted stock	387	551
Average Shares – Diluted	80,153	80,387
Net Earnings Per Share of Common Stock:		
Basic	\$ 0.18	\$ 0.16
Diluted	\$ 0.18	\$ 0.16

⁽¹⁾ Excludes the effect of out-of-the-money options for 248,750 shares of common stock at March 31, 2015.

(3) Segment Information

The following segment presentation is based on the methodology that management uses for making operating decisions and assessing performance of its various business activities. A reconciliation of the segment presentation to the GAAP financial statements is provided.

PNM

PNM includes the retail electric utility operations of PNM that are subject to traditional rate regulation by the NMPRC. PNM provides integrated electricity services that include the generation, transmission, and distribution of electricity for retail electric customers in New Mexico. PNM also provides generation service to firm-requirements wholesale customers and sells electricity into the wholesale market, as well as providing transmission services to third parties. The sale of electricity into the wholesale market includes the optimization of PNM's jurisdictional capacity, as well as the capacity from PVNGS Unit 3, which currently is not included in retail rates. FERC has jurisdiction over wholesale and transmission rates.

TNMP

TNMP is an electric utility providing regulated transmission and distribution services in Texas under the TECA. TNMP's operations are subject to traditional rate regulation by the PUCT.

Corporate and Other

The Corporate and Other segment includes PNMR holding company activities, primarily related to corporate level debt and PNMR Services Company.

The following tables present summarized financial information for PNMR by segment. PNM and TNMP each operate in only one segment. Therefore, tabular segment information is not presented for PNM and TNMP.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

PNMR SEGMENT INFORMATION

	PNM	TNMP	Corporate and Other	Consolidated
	(In thousands)			
Three Months Ended March 31, 2015				
Electric operating revenues	\$261,940	\$70,928	\$—	\$332,868
Cost of energy	97,866	17,779	—	115,645
Margin	164,074	53,149	—	217,223
Other operating expenses	104,016	21,760	(3,583)) 122,193
Depreciation and amortization	28,403	13,458	3,600	45,461
Operating income (loss)	31,655	17,931	(17)) 49,569
Interest income	1,771	—	(21)) 1,750
Other income (deductions)	5,810	1,291	(1,778)) 5,323
Net interest charges	(19,959)) (6,925)) (3,389)) (30,273)
Segment earnings (loss) before income taxes	19,277	12,297	(5,205)) 26,369
Income taxes (benefit)	5,775	4,603	(1,861)) 8,517
Segment earnings (loss)	13,502	7,694	(3,344)) 17,852
Valencia non-controlling interest	(3,380)) —	—	(3,380)
Subsidiary preferred stock dividends	(132)) —	—	(132)
Segment earnings (loss) attributable to PNMR	\$9,990	\$7,694	\$(3,344)) \$14,340
At March 31, 2015:				
Total Assets	\$4,464,487	\$1,243,410	\$231,442	\$5,939,339
Goodwill	\$51,632	\$226,665	\$—	\$278,297
	PNM	TNMP	Corporate and Other	Consolidated
	(In thousands)			
Three Months Ended March 31, 2014				
Electric operating revenues	\$262,736	\$66,161	\$—	\$328,897
Cost of energy	96,626	15,988	—	112,614
Margin	166,110	50,173	—	216,283
Other operating expenses	107,724	21,069	(3,228)) 125,565
Depreciation and amortization	27,082	11,842	3,041	41,965
Operating income	31,304	17,262	187	48,753
Interest income	2,128	—	(11)	