



Q1 2015 Earnings Presentation

May 1, 2015

Safe Harbor Statement

Statements made in this presentation that relate to future events or PNM Resources' ("PNMR"), Public Service Company of New Mexico's ("PNM"), or Texas-New Mexico Power Company's ("TNMP") (collectively, the "Company") expectations, projections, estimates, intentions, goals, targets, and strategies are made pursuant to the Private Securities Litigation Reform Act of 1995. Readers are cautioned that all forward-looking statements are based upon current expectations and estimates. PNMR, PNM, and TNMP assume no obligation to update this information. Because actual results may differ materially from those expressed or implied by these forward-looking statements, PNMR, PNM, and TNMP caution readers not to place undue reliance on these statements. PNMR's, PNM's, and TNMP's business, financial condition, cash flow, and operating results are influenced by many factors, which are often beyond their control, that can cause actual results to differ from those expressed or implied by the forward-looking statements. For a discussion of risk factors and other important factors affecting forward-looking statements, please see the Company's Form 10-K and 10-Q filings with the Securities and Exchange Commission, which factors are specifically incorporated by reference herein.

Non-GAAP Financial Measures

For an explanation of the non-GAAP financial measures that appear on certain slides in this presentation (ongoing earnings and ongoing earnings per diluted share), as well as a reconciliation to GAAP measures, please refer to the Company's website as follows: <http://www.pnmresources.com/investors/results.cfm>.

Opening Remarks & Overview

Pat Vincent-Collawn

Chairman, President and CEO

Q1 2015 Financial Results and Company Updates

Financial Results:

	Q1 2015	Q1 2014
Ongoing EPS	\$0.21	\$0.18
GAAP EPS	\$0.18	\$0.16

EPS shown on a diluted basis

- 2015 Guidance range of \$1.50 - \$1.62 affirmed

Company Updates:

- BART regulatory process
- Status of coal supply and participant restructuring agreements
- 2016 Future Test Year general rate case

BART Regulatory Process Update

BART Component	Settlement Terms	Hearing Examiner Recommendation
Additional 132 MW of San Juan Unit 4	Approval of CCN at \$26M	Denial of CCN with ability to re-file if coal supply and other related participant restructuring agreements are substantially final
Palo Verde Unit 3	Approval of CCN at \$1,650/kW	Approval of CCN at book value (~\$1,071/kW)
San Juan Units 2 & 3	Approval of retirement and recovery of half of the undepreciated investment, estimated to be ~\$115M	Conditional approval of retirement and recovery of half of the undepreciated investment, estimated to be ~\$128M
SNCR Technology	Deferred approval to general rate case	Requests affirmative proof of prudence of balanced draft in general rate case

BART: Best Available Retrofit Technology
 SNCR: Selective Non-Catalytic Reduction
 CCN: Certificate of Convenience and Necessity

San Juan Agreements Status Update

Coal Supply	Participant Restructuring
<ul style="list-style-type: none">▪ Westmoreland Coal Company will take over operations of the mine effective January 1, 2016▪ Coal pricing results in significant San Juan fuel cost reduction for customers	<ul style="list-style-type: none">▪ Ownership restructuring agreement has been substantially finalized<ul style="list-style-type: none">• Includes acquisition of 65 MW by PNMR Development
Outstanding Items	
<ul style="list-style-type: none">▪ NMPRC approval of CCN for 132 MW of San Juan Unit 4▪ Approvals by governing bodies	

PNM 2016 Future Test Year General Rate Case

2016 Future Test Year General Rate Case

- Requested revenue increase of \$107 million
- Based on 2016 future test year and 10.5% ROE
- Reflects \$585 million increase in rate base from 2010 filing
- Includes structural rate design changes, DG Interconnection fee, decoupling mechanism

Current Procedural Schedule

May 6, 2015	Intervention deadline
June 5, 2015	Staff and Intervenor testimony due
June 29, 2015	Rebuttal testimony due
July 20 – August 7, 2015	Hearings conducted
October 2015	Recommended Decision expected
November 2015	Final Order Expected

Hearing Examiner Initial Recommendation

- Application for rates should be found incomplete and should be rejected based on:
 - Procedural defects in the filing (not based on merits of the application) including:
 - Inappropriate justification of forecasted costs and
 - Lack of fully functional electronic files
- Allows calendar year 2016 future test year to be kept for the case
- Recognizes that an alternative to dismissing the application would be to allow PNM to supplement the filing

Regulatory Update

Filing	Date Filed	Timing	Docket No.
<i>PNM:</i>			
BART Filing	Filed December 20, 2013	Final approval expected Q2/Q3 2015	13-00390-UT
2016 Future Test Year General Rate Case	Filed December 11, 2014	Rates effective dependent upon NMPRC action regarding the Hearing Examiner's Initial Recommended Decision	14-00332-UT
<i>FERC:</i>			
Transmission Formula Rates	Filed December 31, 2012	Settlement filed March 20, 2015 with rates effective April 1, 2015	ER13-685-000 and ER13-690-000
<i>TNMP:</i>			
TNMP TCOS	Filed January 16, 2015	Rates effective March 16, 2015	44340

Financial Overview

Chuck Eldred

Executive Vice President and CFO

San Juan Generating Station

Coal Supply Agreement

- Agreement with Westmoreland Coal Company through 2022 with ability to extend
- Significantly improved pricing
- Includes mine reclamation and ash disposal

Ownership Restructuring Changes

Unit	Owner	2018 MW
1	PNM	170
	Tucson Electric Power Company	170
4	PNM	327
	City of Farmington	43
	Los Alamos County	36.5
	UAMPS ⁽¹⁾	35.5
	PNMR Development Company	65
Total		847

⁽¹⁾ Utah Associated Municipal Power Systems

Exiting Participants:

Southern California Power Authority

Tri-State⁽²⁾

M-S-R Public Power Agency

City of Anaheim

⁽²⁾ Tri-State Generation and Transmission Association, Inc.

Load and Economic Conditions

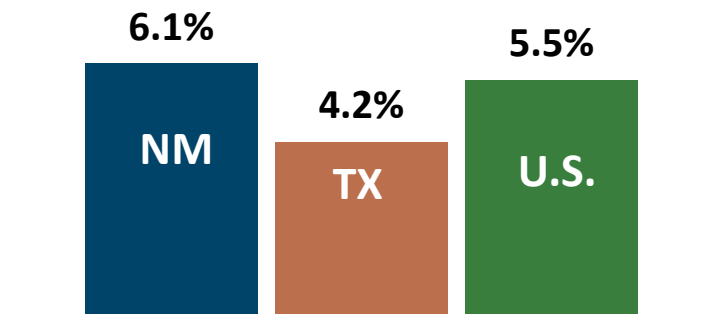
Regulated Retail Energy Sales (weather-normalized)

	PNM	
	% of FY 2014 Sales	Q1 2015 vs. Q1 2014
Residential	39%	2.0%
Commercial	47%	(4.0%)
Industrial	12%	(2.9%)
Total Retail		(1.3%)
2015 Load Forecast: (2%) – 0%		

	TNMP	
	% of FY 2014 Sales	Q1 2015 vs. Q1 2014
Residential	50%	2.1%
Commercial	46%	1.6%
Total Retail		1.7%
2015 Load Forecast: 2% – 3%		

Average Customer Growth		
	PNM	TNMP
Q1 2015	0.7%	1.4%
2015 Forecast	0.5%	1.0%

Unemployment Rate⁽¹⁾

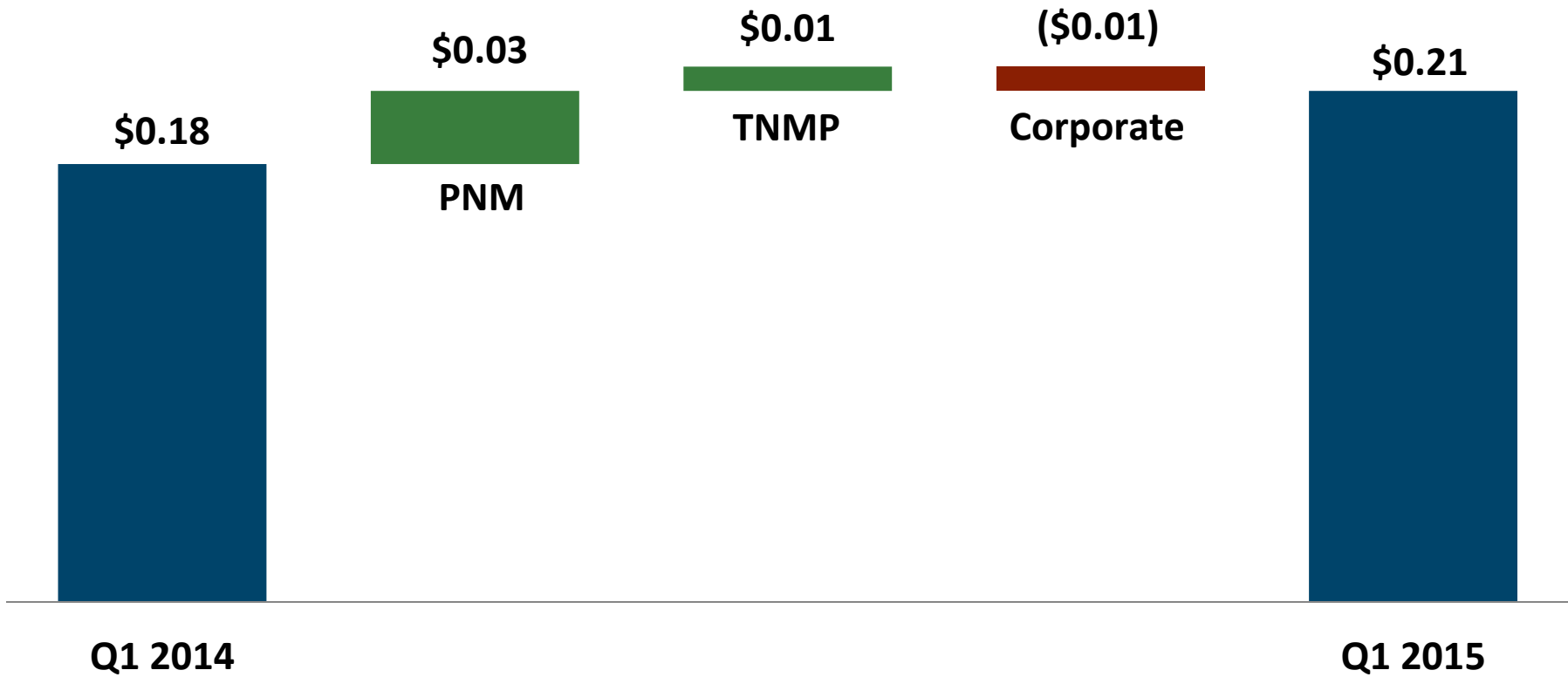


⁽¹⁾ U.S. Bureau of Labor Statistics, March 2015

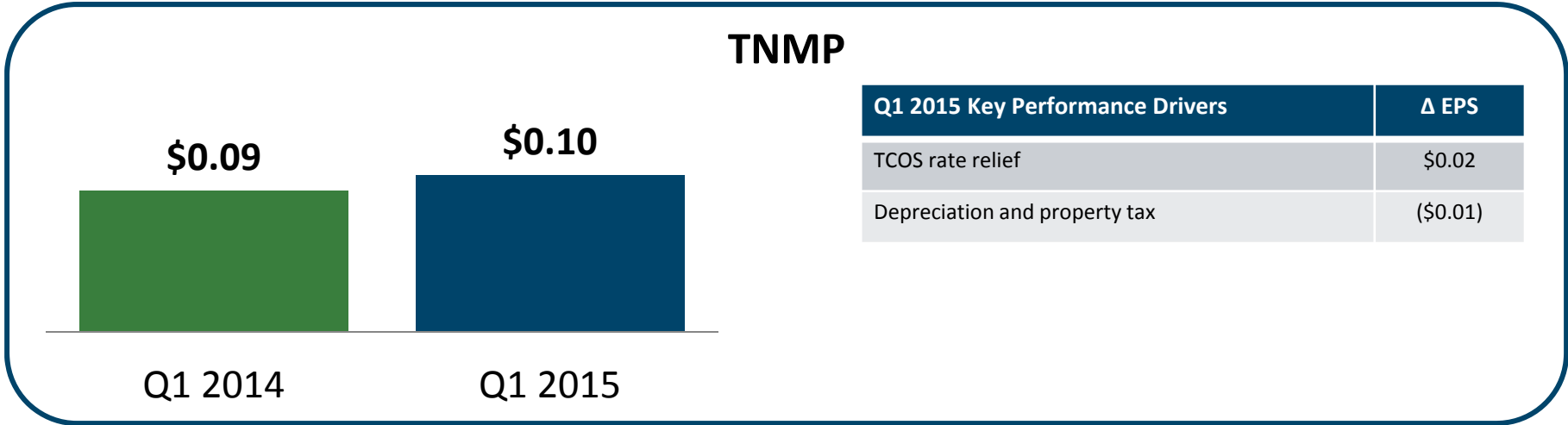
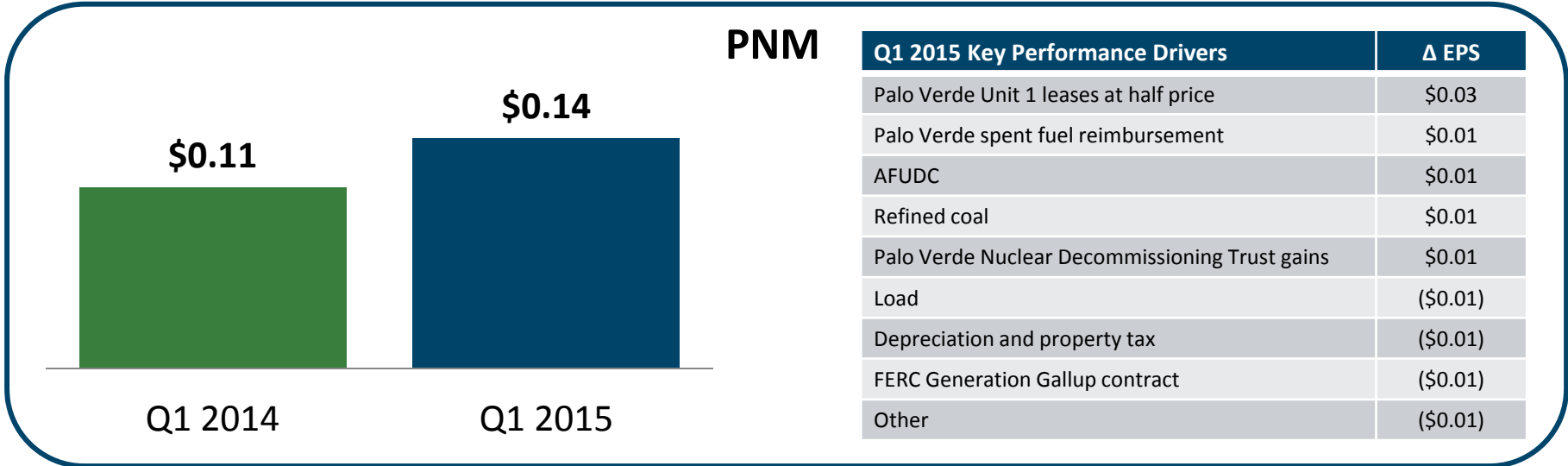
Q1 2015 Financial Summary



Ongoing EPS



PNM and TNMP: Q1 2015 vs Q1 2014 EPS (Ongoing)



2015 Guidance (Ongoing)

2015 Guidance Range:



Questions & Answers

Appendix

2016 Potential Earnings Power

	Allowed Return / Equity Ratio	2015 Guidance Mid Point			2016 Earnings Potential		
		Avg Rate Base	Return	EPS	Avg Rate Base	Growth	EPS
PNM Retail ⁽¹⁾	10% / 50%	\$2.0 B	8.4%	\$1.02	\$2.4 B	\$0.47	\$1.49
PNM Renewables	10% / 50%	\$105 M	10.0%	\$0.07	\$100 M	(\$0.01)	\$0.06
PNM FERC ⁽²⁾	9-10% / 50%	\$235 M	5.5%	\$0.08	\$235 M	(\$0.01)-\$0.01	\$0.07-\$0.09
PV3 ⁽³⁾				(\$0.01)		(\$0.04)	(\$0.05)
Items not in rates ⁽⁴⁾				\$0.02		(\$0.06)-(\$0.03)	(\$0.04)-(\$0.01)
Total PNM		\$2.3 B		\$1.18	\$2.7 B	\$0.35 - \$0.40	\$1.53 - \$1.58
TNMP ⁽⁵⁾	10.125% / 45%	\$680 M	10.125%	\$0.46	\$750 M	(\$0.01)	\$0.45
Corporate/Other ⁽⁶⁾				(\$0.08)		\$0.00-\$0.02	(\$0.08)-(\$0.06)
Total PNM Resources		\$3.0 B		\$1.56	\$3.5 B	\$0.34 - \$0.41	\$1.90 - \$1.97

⁽¹⁾ The 2016 Future Test Year Rate Case proposes a 10.5% ROE. As this rate case has not yet been approved, the currently authorized 10% ROE has been used for this presentation.

⁽²⁾ PNM FERC is made up of both Transmission and Wholesale Generation business. Transmission represents about 75% of rate base and is recovered through formula rates.

⁽³⁾ The potential earnings power assumes a 2016 forward market price of \$37/MWh. A price of \$43/MWh is required to break even in 2016.

⁽⁴⁾ Consists primarily of Palo Verde Nuclear Decommissioning Trust gains and losses, AFUDC, refined coal, certain incentive compensation and pension-related costs associated with the sale of PNM Gas.

⁽⁵⁾ TNMP EPS includes \$0.02 of CTC, which amortizes to zero in 2020.

⁽⁶⁾ PNM Resources' \$119 M 9.25% debt matures May 15, 2015.

This table is not intended to represent a forward-looking projection of 2016 earnings guidance.

2019 Potential Earnings Power

	2016 Earnings Potential		2019 Earnings Potential		
	Avg Rate Base	EPS	Avg Rate Base	Growth	EPS
PNM Retail ⁽¹⁾	\$2.4 B	\$1.49	\$2.6 B	\$0.11	\$1.60
PNM Renewables	\$100 M	\$0.06	\$85 M	(\$0.01)	\$0.05
PNM FERC ⁽²⁾	\$235 M	\$0.07-\$0.09	\$270 M	\$0.01	\$0.08-\$0.10
PV3 ⁽³⁾		(\$0.05)	<i>Included in PNM</i>	\$0.05	<i>Included in PNM</i>
Items not in rates ⁽⁴⁾		(\$0.04)-(\$0.01)		\$0.03	(\$0.01)-\$0.02
Total PNM	\$2.7 B	\$1.53 - \$1.58	\$2.9 B	\$0.19	\$1.72 - \$1.77
TNMP ⁽⁵⁾	\$750 M	\$0.45	\$890 M	\$0.09	\$0.54
Corporate/Other		(\$0.08)-(\$0.06)		\$0.02	(\$0.06)-(\$0.04) ⁽⁶⁾
Total PNM Resources	\$3.5 B	\$1.90 - \$1.97	\$3.8 B	\$0.30	\$2.20 - \$2.27

⁽¹⁾ The 2016 Future Test Year Rate Case proposes a 10.5% ROE. As this rate case has not yet been approved, the currently authorized 10% ROE has been used for this presentation.

⁽²⁾ PNM FERC is made up of both Transmission and Wholesale Generation business. Transmission represents about 75% of rate base and is recovered through formula rates.

⁽³⁾ PV 3 included in PNM rates starting in 2018.

⁽⁴⁾ Consists primarily of Palo Verde Nuclear Decommissioning Trust gains and losses, AFUDC, refined coal, certain incentive compensation and pension-related costs associated with the sale of PNM Gas.

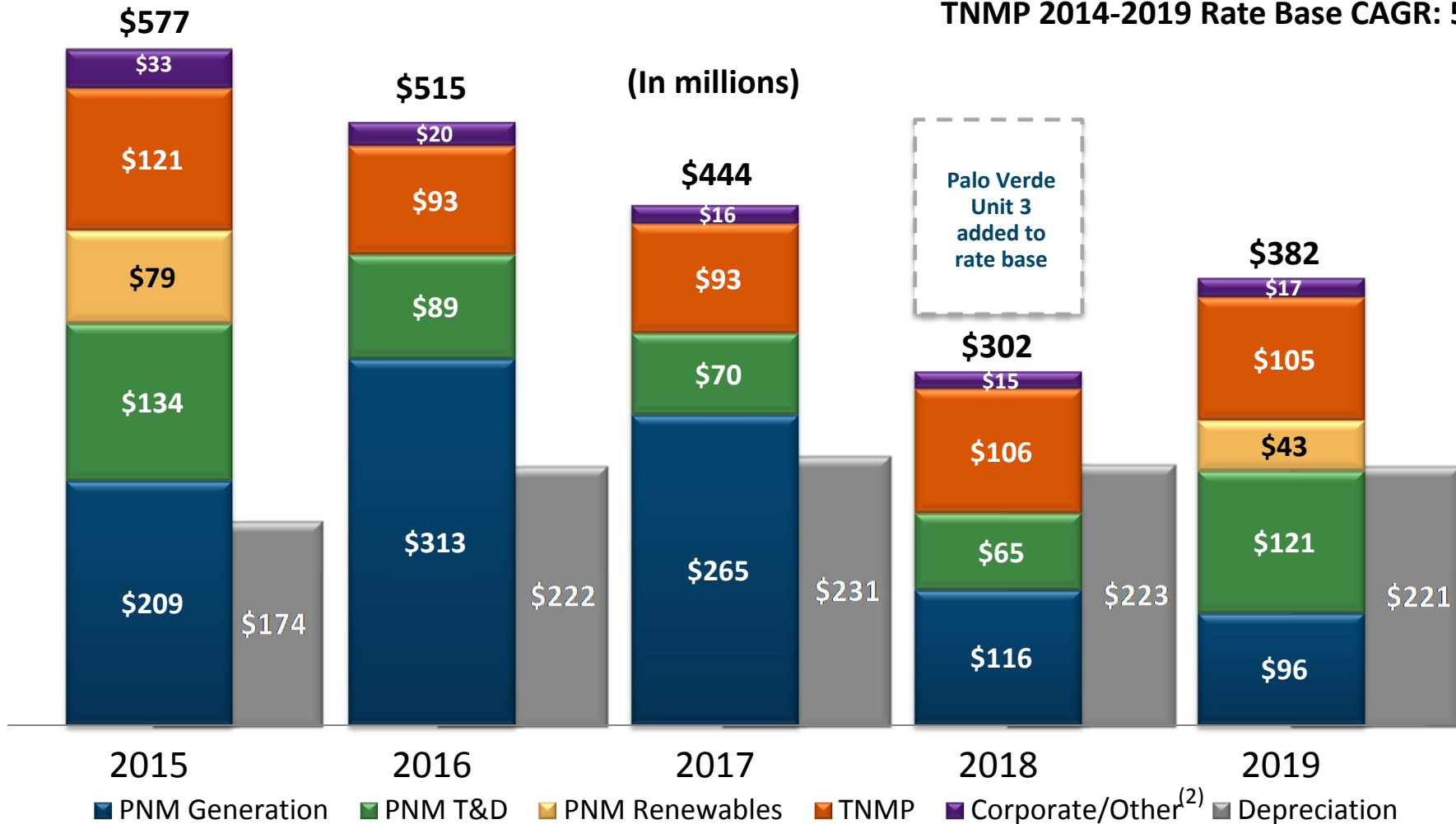
⁽⁵⁾ TNMP Earnings Potential includes refinancing \$172M of 9.5% debt and \$0.01 of CTC in 2019.

⁽⁶⁾ Does not include potential additional 65 MW ownership of San Juan Unit 4 of approximately (\$0.02) – (\$0.03).

5-Year Capital Forecast

2015 – 2019 Total Capital Plan: \$2.2B

PNM 2014-2019 Rate Base CAGR: 5 - 7%⁽¹⁾
 TNMP 2014-2019 Rate Base CAGR: 5 - 7%



⁽¹⁾Includes the addition of PV3 to rate base, which does not have associated capital spending.

⁽²⁾Includes the potential additional 65 MW ownership of San Juan Unit 4.

Beginning in 2016, depreciation rates reflect the full rate change included in the 2016 future test year general rate case filing
 Amounts may not add due to rounding

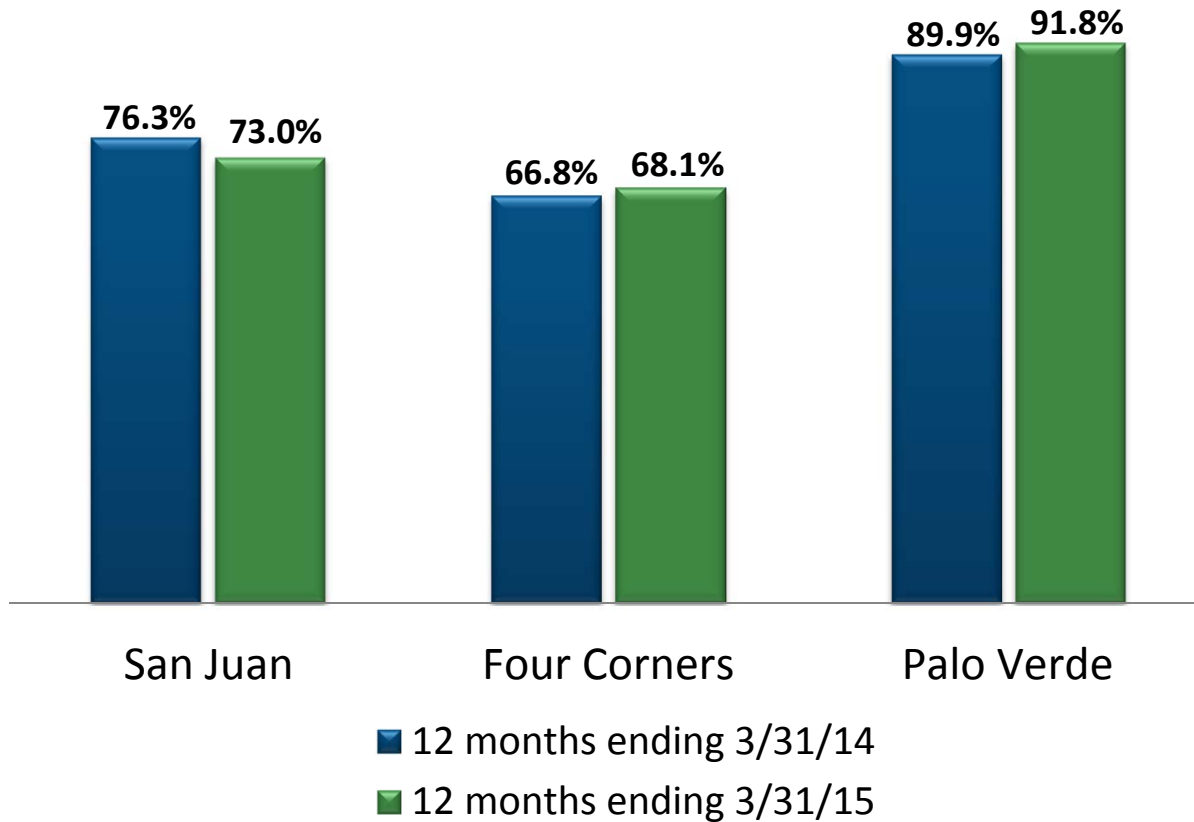
Weather Impact

PNM	Q1 2015	Q1 2014	2015 Normal⁽¹⁾
Heating Degree Days	1,794	1,793	1,962
Cooling Degree Days	0	0	0
EPS Impact <i>compared to normal</i>	(\$0.01)	(\$0.01)	

TNMP	Q1 2015	Q1 2014	2015 Normal⁽¹⁾
Heating Degree Days	1,190	1,200	856
Cooling Degree Days	52	44	106
EPS Impact <i>compared to normal</i>	\$0.01	\$0.01	

⁽¹⁾ 2015 normal weather assumption reflects the 10-year average for the period 2004 - 2013.

PNM Plant EAF and Outages



2015 - 2016 Outage Schedule

Unit	Duration in Days	Time Period
San Juan		
4	51	Q4 2015
3	12	Q4 2015
Four Corners		
5	75	Q4 2015
5	25	Q1 2016
4	30	Q1-Q2 2016
Palo Verde		
3	30	Q2 2015
2	30	Q4 2015
1	34	Q2 2016
3	34	Q4 2016

Balance Sheet and Credit Metrics

Liquidity as of April 24, 2015

	PNM	TNMP	Corporate/ Other	PNM Resources Consolidated
Financing Capacity ⁽¹⁾ :	(In millions)			
Revolving credit facilities	\$450.0	\$75.0	\$300.0	\$825.0
As of 4/24/15:				
Short-term debt and LOC balances	\$3.2	\$0.1	\$7.7	\$11.0
Remaining availability	446.8	74.9	292.3	814.0
Invested cash	-	-	87.4	87.4
Available liquidity as of 4/24/15:	\$446.8	\$74.9	\$379.7	\$901.4

(1) Not included are:

PNM's fully drawn \$175M term loan due 9/4/15,
 PNM's multi-draw \$125M term loan (\$100M drawn as of 4/24/15) due 6/21/16,
 Corporate/Other's fully drawn \$100M term loan due 12/21/15, and
 Corporate/Other's fully drawn \$150M term loan due 3/9/18.

Selected Balance Sheet Information

(In millions)	Dec 31, 2014	Mar 31, 2015
Long-Term Debt (incl. current portion)		
PNM	\$1,490.7	\$1,490.7
TNMP	365.7	365.6
Corporate/Other	118.8	268.8
Consolidated	\$1,975.1	\$2,125.0
Total Debt (incl. short-term) ⁽¹⁾		
PNM	\$1,490.7	\$1,490.7
TNMP	370.7	365.6
Corporate/Other	219.4	368.8
Consolidated	\$2,080.7	\$2,225.0

(1) Excludes inter-company debt
Amounts may not add due to rounding

Debt Ratings

S&P

	PNMR	PNM	TNMP
Debt rating	BBB ⁽¹⁾	BBB ⁽¹⁾	A ⁽²⁾
Outlook	Positive	Positive	Positive

Moody's

	PNMR	PNM	TNMP
Debt rating	Baa3 ⁽¹⁾	Baa2 ⁽¹⁾	A2 ⁽²⁾
Outlook	Positive	Positive	Positive

⁽¹⁾ Senior unsecured debt

⁽²⁾ Senior secured debt

Environmental Compliance

Environmental Control Equipment at Coal Units

Coal Unit	PNM Share Capacity (MW)	Low NOx Burners/ Overfired Air	Activated Carbon Injection ⁽¹⁾	SNCR ⁽²⁾	SCR ⁽²⁾	Baghouse ⁽³⁾	Scrubbers
San Juan Unit 1	170	X	X	X		X	X
San Juan Unit 2	170	X	X			X	X
San Juan Unit 3	248	X	X			X	X
San Juan Unit 4	195	X	X	Expected 2016		X	X
Four Corners Unit 4	100	Pre-2000 low NOx burners-considered outdated			Expected 2018	X	X
Four Corners Unit 5	100	Pre-2000 low NOx burners-considered outdated			Expected 2018	X	X

⁽¹⁾ Activated carbon injection systems reduce mercury emissions. For San Juan, the installation was completed in 2009, as part of a 3-year, \$320M environmental upgrade.

⁽²⁾ SNCR refers to selective non-catalytic reduction systems. SCR refers to selective catalytic reduction systems. Both systems reduce NOx emissions.

⁽³⁾ Baghouses collect flyash and other particulate matter. For San Juan, the installation was completed in 2009, as part of a 3-year, \$320M environmental upgrade.

Impact of Proposed Environmental Regulation

	Estimated Compliance Costs (PNM Share)	Comments
San Juan Generating Station		
Clean Air Act – Regional Haze (State Alternative) – SNCR	\$91M ⁽¹⁾	SNCR technology on 2 units; Retire 2 units.
Clean Air Act – National Ambient Air Quality Standards (NAAQS)	Included in SNCR and SCR ⁽¹⁾ estimates	On November 25, 2014, EPA released a proposed rule that would revise the NAAQS for ground level ozone. The rule would reduce the current primary 8-hour ozone NAAQS from 75 parts per billion (ppb) to between 70 and 65 ppb. Balanced Draft, which has been included in the Regional Haze solution, would assist with compliance with NAAQS.
Mercury Rules (MATS)	None to minimal	Testing shows 99% or greater removal.
Resource Conservation and Recovery Act – Coal Ash	Minimal to some exposure	EPA issued the final coal combustion residuals (CCR) rule on December 19, 2014. The rule regulates CCR as a non-hazardous waste under Subtitle D of RCRA. This rule does not apply to placement of coal ash in mines – Office of Surface Mining (OSM) is expected to issue its own rule in 2015 and they will likely follow EPA's.
Clean Water Act – 316(b)	Minimal to some exposure	PNM is performing analyses based upon EPA's May 19, 2014 ruling on the issue. PNM will work with EPA Region 6 to address 316(b) requirements in SJGS' next National Pollutant Discharge Elimination System permit renewal. There is a low expected impact.
Effluent Limitation Guidelines (proposed)	Minimal to some exposure	PNM has reviewed the proposed rule and continues to assess the impact on SJGS. EPA has until September 30, 2015 to issue final effluent limits.

⁽¹⁾ Includes the impact of 65 MW of Unit 4 capacity from PNMR Development and Management Company

Impact of Proposed Environmental Regulation

	Estimated Compliance Costs (PNM Share)	Comments
Four Corners (Units 4 and 5)		
Clean Air Act – Regional Haze - SCR	\$80M	Final BART determination filed with EPA on December 30, 2013. Impact to PNM: SCR controls for NO _x on Units 4 & 5.
Clean Air Act – National Ambient Air Quality Standards (NAAQS)	Some to significant exposure	On November 25, 2014, EPA released a proposed rule that would revise the NAAQS for ground level ozone. The rule would reduce the current primary 8-hour ozone NAAQS from 75 parts PPB to between 70 and 65ppb. APS is unable to predict the impact of the adoption of a new standard.
Mercury Rules (MATS)	Slight exposure	APS has determined that no additional equipment will be required.
Resource Conservation and Recovery Act – Coal Ash	Significant exposure	EPA issued the final coal combustion residuals (CCR) rule on December 19, 2014. The rule regulates CCR as a non-hazardous waste under Subtitle D of RCRA. APS is evaluating the rule on its existing ash impoundments and dry fly ash disposal areas.
Clean Water Act – 316(b)	Some exposure	APS is performing analyses based on EPA’s May 19, 2014 ruling on the issue to determine the potential costs of compliance with the proposed rule.
Effluent Limitation Guidelines (proposed)	Some exposure	APS has reviewed the proposed rule and continues to assess the impact. EPA has until September 30, 2015 to issue final effluent limits.