



Q2 2015 Earnings Presentation

July 31, 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

Q2 2015 Financial Results and Company Updates

Financial Results:

	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Ongoing EPS	\$0.44	\$0.39	\$0.65	\$0.57
GAAP EPS	\$0.40	\$0.36	\$0.57	\$0.52

EPS shown on a diluted basis

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

Company Updates:

- BART status
- Future Test Year appeal
- General rate case filing plans

BART Regulatory Process Update

- July 14: Procedural schedule set

BART Procedural Schedule	
July 31	PNM supplemental testimony due
September 3	Staff and Intervenor testimony due
September 18	Rebuttal testimony due
September 22	Pre-hearing conference
September 30	Hearings commence

July 31: PNM files restructuring agreements with remaining signatures and supplemental testimony

San Juan Generating Station natural gas plant	
June 30	PNM filed CCN application for 187 MW natural gas plant
July 15	Hearing Examiner assigned

Future Test Year

Recent events:

- May 13: NMPRC dismisses PNM rate case filing
- May 27: NMPRC adopts order defining Future Test Year
- July 15: NMPRC makes motion requesting NM Supreme Court remand case back to NMPRC

Future Test Year

- Defined by New Mexico statute and NMPRC Rule as: twelve-month period beginning no later than the date a proposed rate change is expected to take effect
- NMPRC Order: future test period begins no later than 45 days after rate application is made

Appeals on PNM Order	Appeals on SPS Order
June 25: PNM files appeal with New Mexico Supreme Court	
June 26: New Mexico Gas Company files appeal with New Mexico Supreme Court as part to PNM's case	
July 10: Albuquerque Bernalillo County Water Utility Authority files cross-appeal with New Mexico Supreme Court	July 9: SPS files appeal with New Mexico Supreme Court on SPS Case
July 16: SPS requests to appear in PNM's New Mexico Supreme Court case	
July 27: PNM files Statement of Issues with New Mexico Supreme Court	

Regulatory Update

Filing	Action	Timing	Docket No.
PNM:			
BART Filing	Filed December 20, 2013	Final approval expected Q4 2015	13-00390-UT
NMPRC 2016 Renewable Plan	Filed June 1, 2015	Final approval expected Q4 2015	15-00166-UT
San Juan Generating Station natural gas plant CCN application	Filed June 30, 2015	Hearing Examiner assigned on July 15 th ; approval expected March - October 2016	15-00205-UT
Future Test Year Notice of Inquiry	Issued July 15, 2015	Status report to be prepared by August 12 th	15-00216-UT
FERC:			
Transmission Formula Rates	Filed December 31, 2012	Settlement filed March 20, 2015 with rates effective April 1, 2015	ER13-685-000 & ER13-690-000
TNMP:			
TNMP TCOS	Filed July 17, 2015	Rates expected to be effective September 2015	44953

Financial Overview

Chuck Eldred

Executive Vice President and CFO

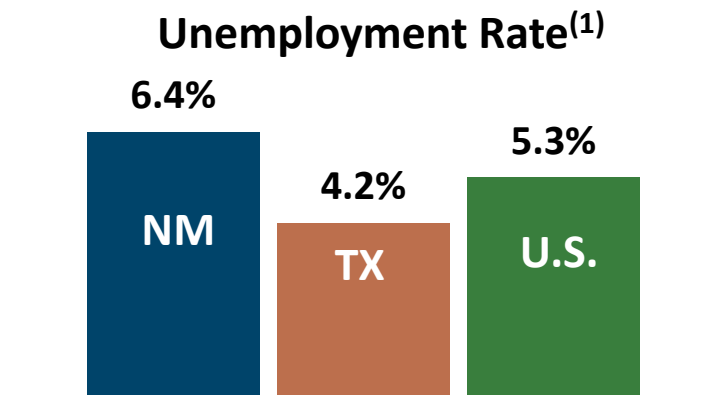
Load and Economic Conditions

Regulated Retail Energy Sales (weather-normalized)

	PNM		
	% of FY 2014 Sales	Q2 2015 vs. Q2 2014	YTD 2015 vs. YTD 2014
Residential	39%	(0.8%)	0.7%
Commercial	47%	(0.3%)	(2.0%)
Industrial	12%	(4.2%)	(3.5%)
Total Retail		(1.2%)	(1.2%)
2015 Load Forecast: (2%) – 0%			

	TNMP		
	% of FY 2014 Sales	Q2 2015 vs. Q2 2014	YTD 2015 vs. YTD 2014
Residential	50%	7.6%	4.9%
Commercial	46%	3.1%	2.4%
Total Retail		5.0%	3.5%
2015 Load Forecast: 2% – 3%			

	Average Customer Growth		
	Q2 2015 vs. Q2 2014	YTD 2015 vs. YTD 2014	2015 Forecast
PNM	0.7%	0.7%	0.5%
TNMP	1.6%	1.5%	1.0%

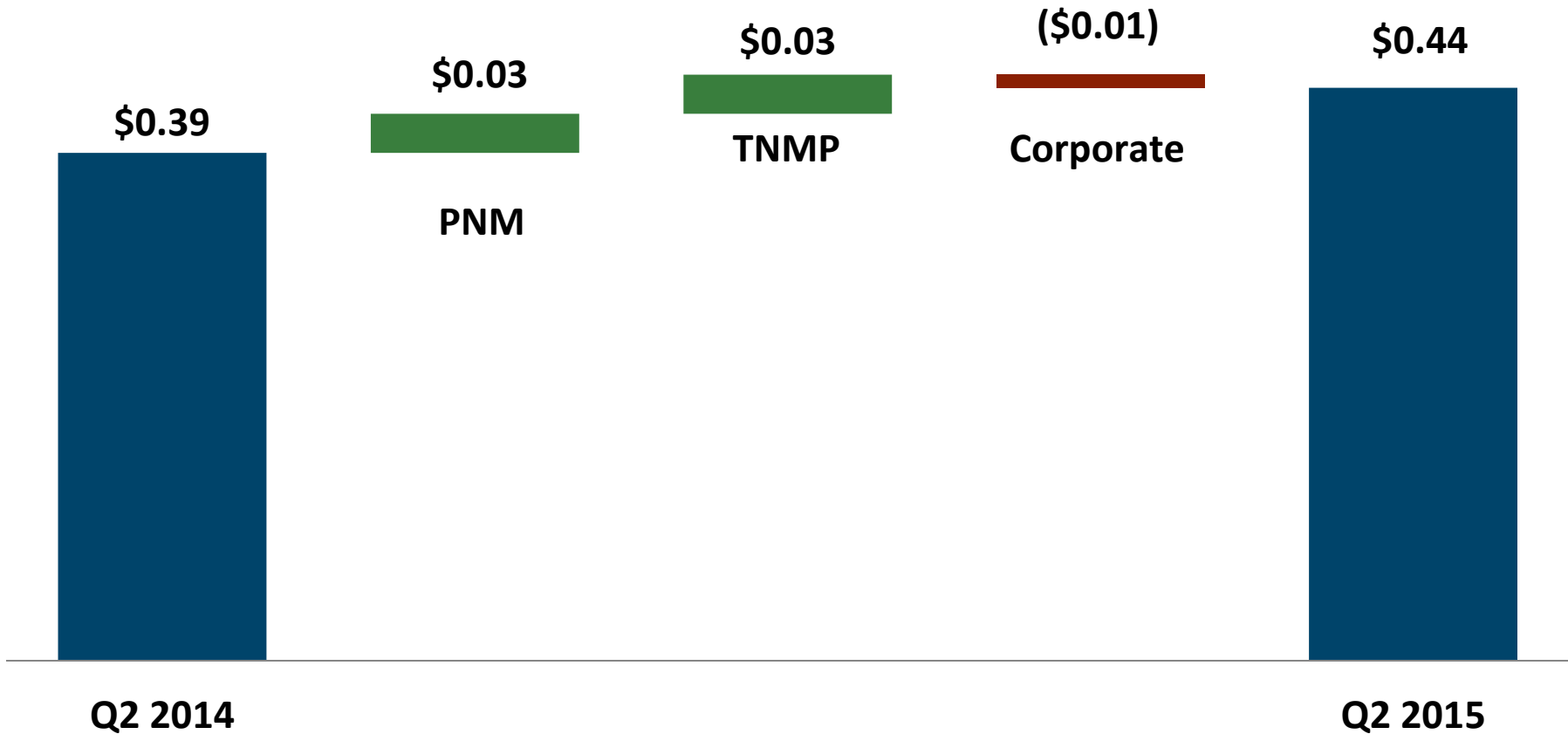


⁽¹⁾ U.S. Bureau of Labor Statistics, June 2015

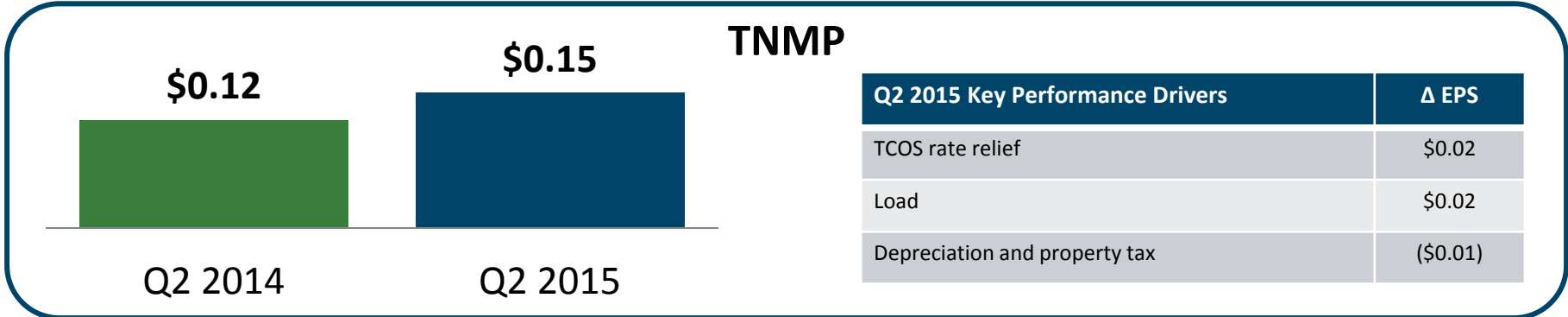
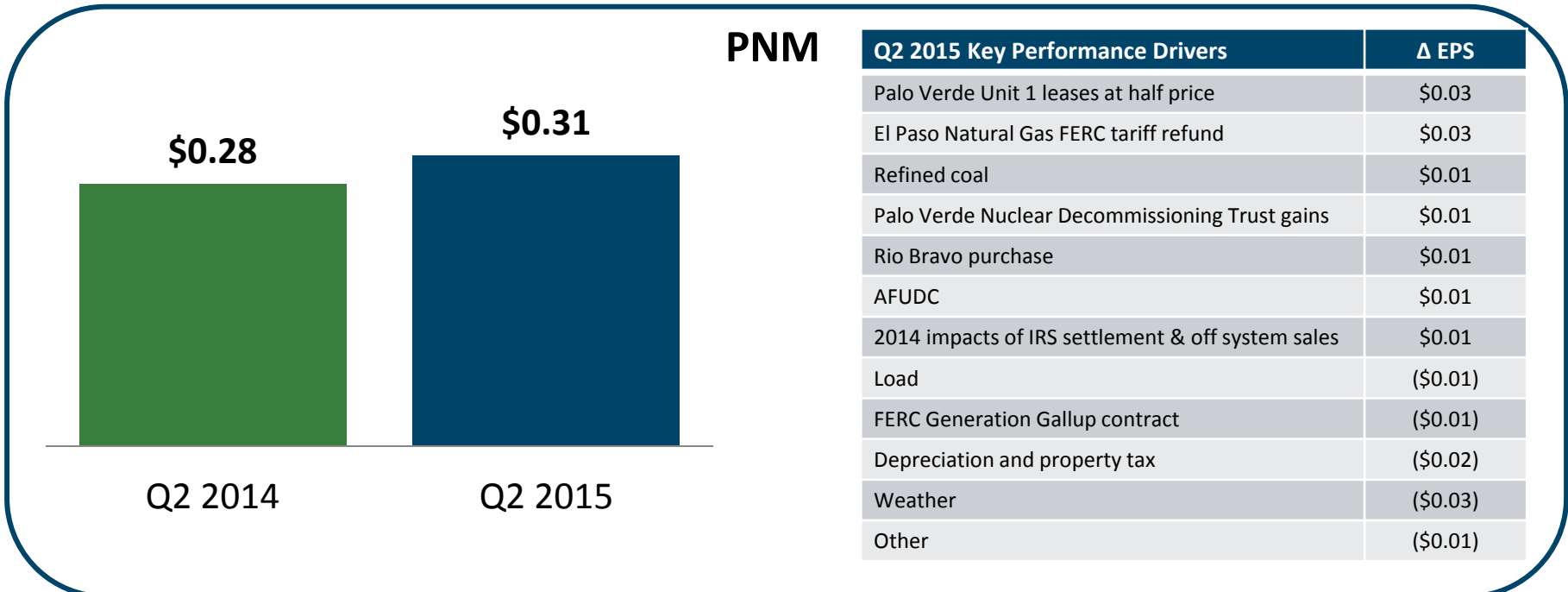
Q2 2015 Financial Summary



Ongoing EPS

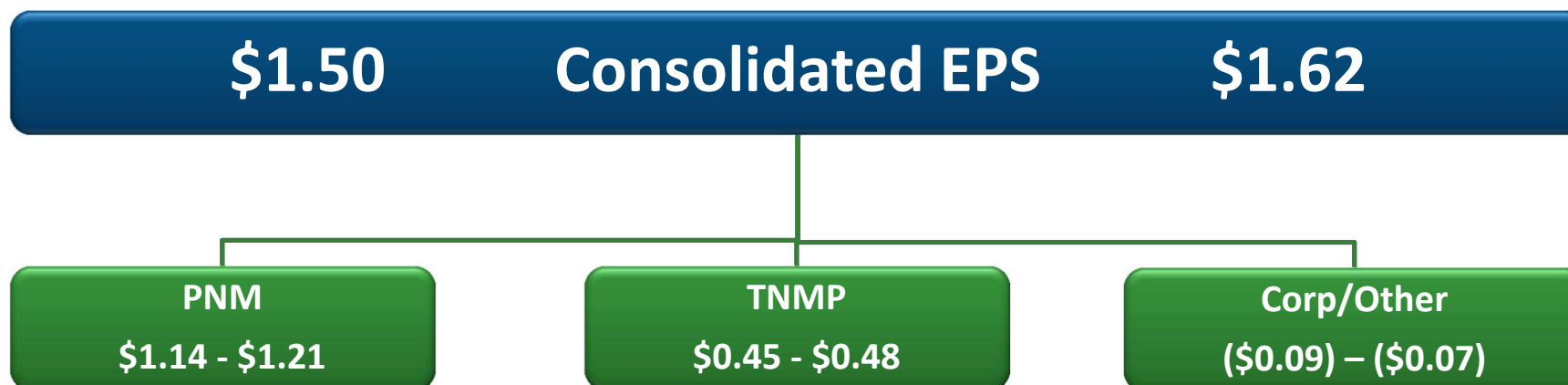


PNM and TNMP: Q2 2015 vs Q2 2014 EPS (Ongoing)



2015 Guidance (Ongoing)

2015 Guidance Range:



Questions & Answers

Appendix

Earnings Growth: 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	10% / 50%	\$2.0 B	8.4%	\$1.02	\$2.4 B	\$0.47	\$1.49
PNM Retail-Timing ⁽¹⁾						(\$0.35)-(\$0.21)	(\$0.35)-(\$0.21)
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	\$0.00 - \$0.19	\$1.18 - \$1.37
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	(\$0.01) - \$0.20	\$1.55 - \$1.76

⁽¹⁾ The originally filed 2016 future test year general rate case was dismissed. PNM will re-file its rate case by September 1, 2015. Based on the previously filed 2016 future test year general rate case, implementation of new rates between July and October 2016 could decrease earnings in 2016 as shown, but will not have an impact beyond 2016.

⁽²⁾ PNM FERC is made up of both Transmission and Wholesale Generation business; transmission represents about 75% of rate base. Earnings reflect FERC formula rate methodology, which uses prior year average rate base and assumes mid-year rate increases. Earnings Potential assumes returns of 5% - 6%.

⁽³⁾ Earnings Potential 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 is fully amortized in 2020.

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



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

Earnings Growth: 2019 Potential Earnings Power

	2016 Earnings Potential		2019 Earnings Potential		
	Avg Rate Base	EPS	Avg Rate Base	Growth	EPS
PNM Retail	\$2.4 B	\$1.49	\$2.6 B	\$0.11	\$1.60
PNM Retail-Timing ⁽¹⁾		(\$0.35)-(\$0.21)		\$0.35 - \$0.21	\$0.00
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 Retail</i>	\$0.05	<i>Included in PNM Retail</i>
Items not in rates ⁽⁴⁾		(\$0.04)-(\$0.01)		\$0.03	(\$0.01)-\$0.02
Total PNM	\$2.7 B	\$1.18 - \$1.37	\$2.9 B	\$0.54 - \$0.40	\$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	\$1.55 - \$1.76	\$3.8 B	\$0.65 - \$0.51	\$2.20 - \$2.27

⁽¹⁾ The originally filed 2016 future test year general rate case was dismissed. PNM will re-file its rate case by September 1, 2015. Based on the previously filed 2016 future test year general rate case, implementation of new rates between July and October 2016 could decrease earnings in 2016 as shown, but will not have an impact beyond 2016.

⁽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).

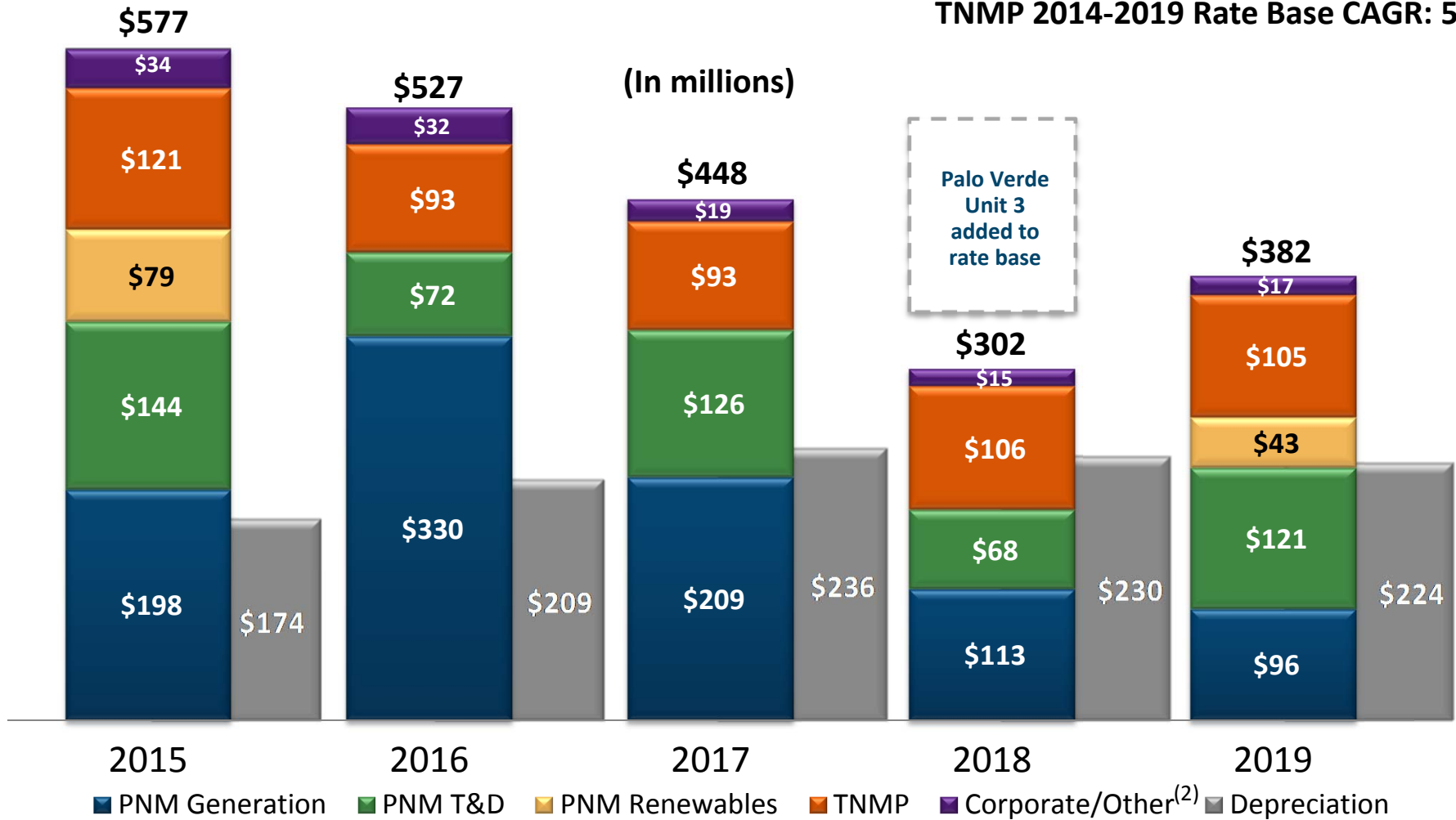


This table is not intended to represent a forward-looking projection of 2016 or 2019 earnings guidance.

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 July 2016, depreciation rates reflect the full rate change included in the previously filed 2016 future test year general rate case

Amounts may not add due to rounding

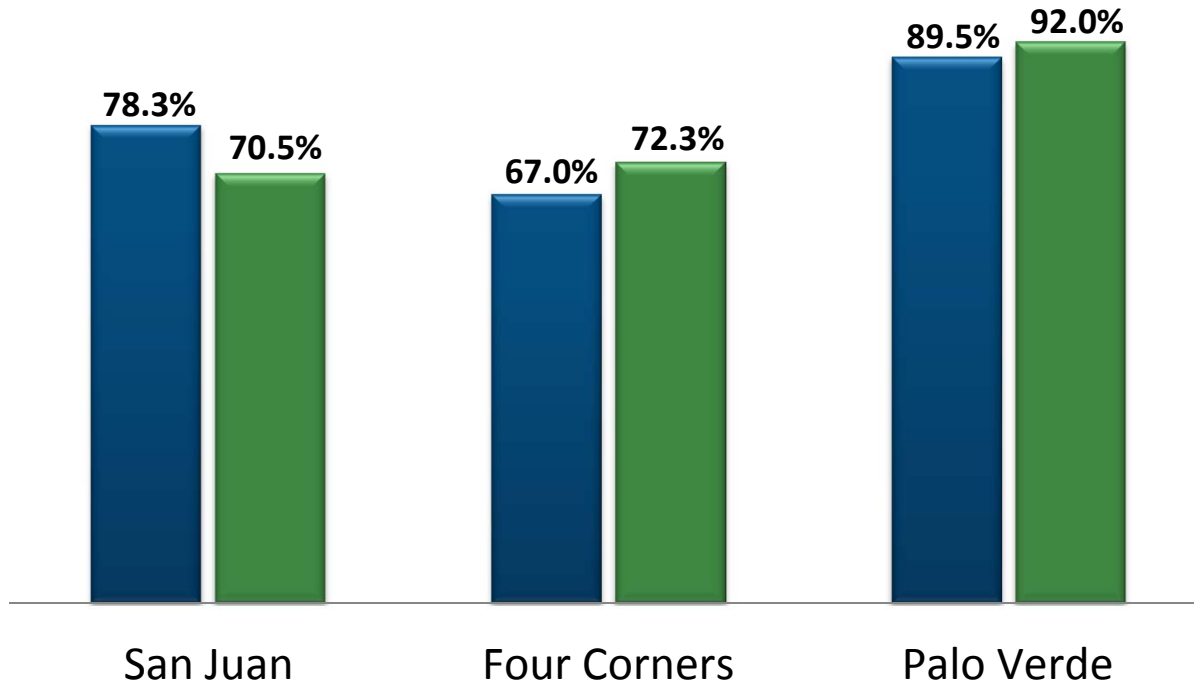
Weather Impact

PNM	Q2 2015	Q2 2014	2015 Normal⁽¹⁾
Heating Degree Days	354	361	288
Cooling Degree Days	417	510	502
EPS Impact <i>compared to normal</i>	(\$0.03)	\$0.00	

TNMP	Q2 2015	Q2 2014	2015 Normal⁽¹⁾
Heating Degree Days	45	78	147
Cooling Degree Days	983	990	1,101
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



■ 12 months ending 6/30/14
 ■ 12 months ending 6/30/15

2015 - 2016 Outage Schedule

Unit	Duration in Days	Time Period
San Juan		
4	51	Q4 2015
3	12	Q4 2015
Four Corners		
5	81	Q1 2016
4	22	Q1-Q2 2016
Palo Verde		
2	30	Q4 2015
1	34	Q2 2016
3	34	Q4 2016

Balance Sheet and Credit Metrics

Liquidity as of July 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 7/24/15:				
Short-term debt and LOC balances	\$66.4	\$32.1	\$6.8	\$105.3
Remaining availability	383.6	42.9	293.2	719.7
Invested cash	-	-	1.9	1.9
Total Available Liquidity	\$383.6	\$42.9	\$295.1	\$721.6

(1) Not included are:

PNM's fully drawn \$175M term loan due 9/4/15,
 PNM's fully drawn \$125M term loan 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	Jun 30, 2015
Long-Term Debt (incl. current portion)		
PNM	\$1,490.7	\$1,515.7
TNMP	365.7	365.5
Corporate/Other	118.8	150.0
Consolidated	\$1,975.1	\$2,031.2
Total Debt (incl. short-term) ⁽¹⁾		
PNM	\$1,490.7	\$1,566.8
TNMP	370.7	394.5
Corporate/Other	219.4	257.5
Consolidated	\$2,080.7	\$2,218.8

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

Debt Ratings

S&P

	PNMR	PNM	TNMP
Debt rating	BBB ⁽¹⁾	BBB ⁽²⁾	A- ⁽³⁾
Outlook	Positive	Positive	Positive

Moody's

	PNMR	PNM	TNMP
Debt rating	Baa3 ⁽¹⁾	Baa2 ⁽²⁾	A1 ⁽³⁾
Outlook	Stable	Stable	Stable

⁽¹⁾ Issuer/Corporate rating

⁽²⁾ Senior unsecured

⁽³⁾ Senior secured

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 ⁽¹⁾ (State Alternative) – SNCR	\$78M	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 published the final coal combustion residuals (CCR) rule on April 20, 2015. The rule regulates CCR as a non-hazardous waste under Subtitle D of RCRA. PNM is currently assessing the impacts of the rule on its operations. 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 OSM will be influenced by EPA’s rule.
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	\$92M	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	Some to significant exposure	EPA published the final coal combustion residuals (CCR) rule on April 20, 2015. 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 ash management system.
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.