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# PNM Resources, Inc. (PNM)

Q3 2015 Earnings Call

# CORPORATE PARTICIPANTS

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# OTHER PARTICIPANTS

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Brian J. Russo
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# MANAGEMENT DISCUSSION SECTION

**Operator**: Good morning, and welcome to the PNM Resources' Third Quarter 2015 Conference Call. All participants will be in listen-only mode. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Jimmie Blotter. Please go ahead.

## Jimmie Blotter
*Director-Investor Relations and Shareholder Services*

Thank you, Amy, and thank you, everyone for joining us this morning for the PNM Resources' Third Quarter 2015 Earnings Conference Call. Please note that the presentation for this conference call and other supporting documents are available on our website at pnmresources.com.

Joining me today are PNM Resources' Chairman, President and CEO, Pat Vincent-Collawn, and Chuck Eldred, our Executive Vice President and Chief Financial Officer, as well as several other members of our executive management team.

Before I turn the call over to Pat, I need to remind you that some of the information provided this morning should be considered forward-looking statements pursuant to the Private Securities Litigation Reform Act of 1995. We caution you that all of the forward-looking statements are based upon current expectations and estimates and that PNM Resources assumes no obligation to update this information. For a detailed discussion of factors affecting PNM Resources' results, please refer to our current and future annual reports on Form 10-K, quarterly reports on Form 10-Q, as well as reports on Form 8-K filed with the SEC.

And with that, I will turn the call over to Pat.

## Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

Thank you, Jimmie, and good morning, everyone. Thank you for joining us on this beautiful New Mexico morning. I'm sorry you aren't here in person to enjoy the weather and to see our wonderful Halloween costumes.

I am pleased to report that PNM Resources delivered a solid performance in the third quarter, continuing to build on the momentum that we have established. I'm going to start with slide four. Our GAAP earnings per share for the third quarter of 2015 were $0.76 compared to $0.69 in the third quarter of last year. Year-to-date in 2015, our GAAP earnings are $1.34 compared to $1.21 in 2014. Ongoing earnings were $0.76 compared to $0.68 from the third quarter last year. Year-to-date ongoing earnings in 2015 are $1.41, up $0.16 from this time last year. We are also narrowing our guidance range for the year to $1.56 to $1.61. Chuck will provide a more detailed look into the numbers in a few moments.

But before we do that, I'll provide updates regarding our BART plan and other regulatory proceedings and review the timeline for PNM's general rate case filing. But first I'd like to take a moment to share something of which we are very proud. PNM was recently honored with the 2015 ReliabilityOne Award, recognizing the company as one of the very best midsized investor of utilities in the nation.

As Jeff Lewis, ReliabilityOne Program Director, stated in the new release about the award, reliability is ultimately one of the most tangible means to customer engagement, and he added, PNM has demonstrated that it understands the essence of customer engagement and is consistently providing superior service. This achievement is the result of the tireless efforts and dedication of our employees who focus each and every day on serving our customers and our communities. I would like to thank them for their hard work.

Moving onto slide five, we'll discuss the latest developments regarding San Juan generating stations and the BART process. The new hearing on the case began as scheduled on October 13 and concluded on October 20. The purpose of the hearing was to consider the new stipulated settlement agreement that the company reached with the majority of parties in the case. The hearing also covered the filing of signed ownership restructuring and coal supply agreements. The lack of which was the primary reason for the hearing examiners' recommendation in April.

In addition to Commission Staff and the Attorney General, signatory to the agreement include two environmental groups, Western Resource Advocates and the New Mexico Coalition for Clean Affordable Energy. The New Mexico Industrial Energy Consumers, New Mexico Independent Power Producers, and the renewable energy advocacy group, Interwest Energy Alliance, also joins the agreement. This is a list that shows strong and diverse support for what we are confident is a good settlement.

Santa Fe and Bernalillo Counties and the Albuquerque Bernalillo County Water Utility Authority are not joining the settlement, but they no longer oppose the deal. While the City of Santa Fe opposed the original agreement, the city has not taken a position on the new settlement.

The highlights of the agreement are a CCN for the additional 132 megawatts in San Juan Unit 4, a CCN for bringing 134 megawatts of Palo Verde 3 into rate base, retirement of San Juan Units 2 and 3 and the recovery of half of the remaining undepreciated investment and the installation of SNCR Technology on San Juan Units 1 and 4, with accelerated cost recovery.

One environmental group, the New Energy Economy, continues to oppose any agreement on San Juan. They filed a motion with the Commission asking that four to five commissioners recuse themselves from the case. The group alleges the Commissioners have improper ex BART case communications about the case with PNM, claims that the Commissioners are biased and that they have also prejudged the case. The Commissioners denied the New Energy Economy's claims and rejected the call for their recusal. NEE then filed the petition with the New Mexico Supreme Court asking the justices to force the recusal of the Commissioners and requesting a stay of the case until the petition is acted on.

They also asked that PNM's application to the Commission be dismissed. The court ultimately permitted the hearing to proceed as scheduled [ph] but state (06:58) the Commissioners from taking any action on the matter until the court makes a decision. As we clearly demonstrated in previous filings at the Commission, we believe NEE's position is baseless. Oral arguments will be held on November 9, and we believe the court will act quickly on this matter.

Let's now go to slide six, and take a look at other regulatory matters. The Commission's hearing examiner recommended approval of PNM's 2016 renewable energy plan. The company continues to meet the renewable portfolio standard and the plan continues the rate rider for recovery of the associated costs. We expect the Commission to issue a final order in late November.

Regarding PNM's appeal of the New Mexico Commission's definition of a future test year, the Commission held workshops to attempt to reach agreement among interested parties on the definition. Agreement was reached on a definition that would allow a future test year to begin 13 months from the date of a rate case application.

On this basis PNM and the PRC filed a joint motion to remand the Final Order of the Commission and for 30 days' stay of the appeal to allow reconsideration by the Commission. This will also give the Commission an opportunity to docket a new rulemaking to incorporate the agreed-upon definition into the future test year rule. The Supreme Court has not yet acted on this motion.

Meanwhile PNM's rate case filing is moving forward. The procedural schedule calls for staff and interveners to file testimony by January 29 and the hearing is scheduled to begin March 14. At FERC regarding our transmission formula rate case, we are still waiting on the FERC to act on the settlement we filed in March.

We filed a settlement on the Navopache contract with FERC yesterday. I will give some high level comments on this and then Chuck will walk you through the detail in his section. Navopache made a filing at FERC earlier this year requesting the authority to source their power from other suppliers based on a particular clause in the contract.

Although we do not agree with their interpretation, we saw this as an opportunity to return this portion of our assets to serve our retail customers. With increased environmental regulations like the Clean Power Plan, we believe that there will be a continued reduction of base load generation assets in the future, especially coal, as well as the introduction of more intermittent renewable resources.

As this happens, the stability of the grid will be diminished and one of the best ways to protect our retail customers is to have generation resources that we own and are dedicated to serving these customers. But serving our customers with reliable and cost effective power is a core element of our business strategy. We felt it was in the best interest of our New Mexico customers to exit the contract with Navopache and bring those resources back to the retail jurisdiction.

Over in Texas, TNMP's July 17 TCOS filing requesting an increase of $1.4 million was approved and went into effect September 10. This reflects a $7 million increase in transmission rate base over our last filing.

Now I'll turn things over to Chuck for an in-depth look of the numbers.

### Charles N. Eldred

*Chief Financial Officer & Executive Vice President*

Thank you, Pat, and good morning, everyone.

Beginning with slide eight, load at PNM continues to be in line with our guidance of flat to down 2%. We saw continued strength in customer growth at PNM increasing to 0.8% for the quarter and holding to 0.7% year-to-date. Those are above our 2015 forecast at 0.5%. Residential was flat year-to-date and total load is down 1.4%. Economic growth in New Mexico continues to be slow. Looking at employment growth for Albuquerque, which is a major portion of PNM service territory, you can see that we are up from where we were a year ago and that it has trended around 1.5% through this year. This supports what we have been experiencing that the economy has not yet seen any significant upticks but it's holding fairly steady. You can see also that the U.S. average is a bit higher than Albuquerque at 2%.

The economy in Texas continues to perform well. We do however see some softening of employment growth in recent periods, particularly in the Houston area. As you can see on the chart, there continues to be employment growth in both Houston and Dallas but Dallas is continuing with stronger performance. Load at TNMP is up 2.7% year-to-date which is in the guidance range of up to 2% to 3%. TNMP did have strong customer growth again coming in at 1.5% year-to-date which is higher than the forecasted 1%.

Now turning to slide nine for the Q3 financial results. Ongoing earnings were $0.76 compared to $0.68 last year. Looking at the segments, each came in higher than last year, PNM up $0.05 and TNMP up $0.02, corporate and other up $0.01 because of the payoff of the 9.25% [indiscernible] (12:37) in May of this year.

Now for more detail on PNM and TNMP drivers on slide 10. Starting with PNM, AFUDC was up $0.04 this quarter. This is due to increased capital spending from La Luz Gas Peaker in the 40 megawatt of solar that comes online this year in the San Juan SNCR equipment. The half price renewal of Palo Verde Unit 1 leases caused a year-over-year improvement of $0.03. Weather was up $0.03. Cooling degree days this year were 6% higher than normal and 14% higher than Q3 of 2014.

The refined coal process at San Juan which began last year in mid-November also improved earnings by $0.01 and the Nuclear Decommissioning Trust had gains that were $0.01 higher than third quarter last year. Renewable rate relief has $0.01 improvement in Q3 of this year versus last year. As expected, load cost earnings to be lower by $0.03. Outage costs were $0.02 higher in Q3 of this year, driven primarily by unplanned outages at Four Corners and San Juan.

Other O&M expenses were $0.02 higher, primarily caused the increases in employee medical cost. Depreciation and property tax expenses were higher by $0.01 because of the higher capital spending. The interest expense was also up $0.01, primarily due to the August issuance of [ph] $215 million (14:03) of long-term debt at 3.85%.

Moving to TNMP. We saw an improvement for rate relief from the semiannual TCOS filings of $0.02. Combined load and weather were up by $0.01, cooling degree days were 4% higher than normal and 8% higher than Q3 of 2014. Depreciation and property tax expenses were higher because of more capital additions. This caused results to be $0.01 lower.

Now turning to slide 11. Today, we are narrowing our guidance range. We expect 2015 to be $1.56 to $1.61. Our previously issued guidance range was $1.50 to $1.62. This moves the midpoint of guidance to $1.58. We've also adjusted our segment estimates for the remainder of the year which are on the slide.

PNM will come down slightly. This caused by the delay in implementation of rate case to third quarter 2016. This reduces revenue that was originally expected in December 2015 which has a $0.03 earnings impact for the year.

Another factor that year-to-date weather is lower than normal. The remainder of the year-over-year drivers that were given when we issued 2015 guidance remains intact. TNMP is performing better than expected, so guidance on that segment has been raised to account for the increases in load and weather.

Finally, I'd like to address the Navopache settlement. Pat has already walked you though the strategic rationale for our exit from this contract. As far as the detail to the settlement, we will be able to manage the exit process from the contract and have timed this considering the need for additional generation that results from the two unit shutdown at San Juan that will be included in the 2018 rate case. The settlement will have no [ph] earnings impact (15:55) in 2015. In 2016, the contract price will be lowered but the full load will continue to be served for the entire year.

In 2017, we will serve 10 megawatts around the clock which is about 23% of their current energy. Beginning in 2018, we will no longer serve this load and will plan to reallocate the rate base to New Mexico retail jurisdiction. This would allow us to reduce the cost to customers by lowering our investment in new generation capital.

Since this was an agreed upon settlement with Navopache, we have been able to develop plans to offset the financial impact both in 2016 and 2017. These plans include selling power in a market that would have otherwise been allocated to them, reductions in fuel and transmission expenses and other cost control measures. As a result, we do not expect to have any significant earning gaps which is similar to how the expiration of Gallup contract was handled.

Furthermore, we will be able to execute the strategy that Pat described, dedicating our jurisdictional generation resources to serving retail customers. Outside of Navopache, there are two remaining FERC wholesale generation contracts that we serve which combined only represent nine megawatts. One of these contracts will terminate mid-2016, representing six megawatts. This contract termination has already been reflected in our 2016 rate case filing. The final contract is three megawatts of load with the contract termination in 2019.

Now moving to slide 12. We are making a number of capital adjustments to account for the changes in our resource requirement forecast. I'll start by reviewing the generation capital. The changes that we're making account for both Navopache and the lower load projection filed in our 2016 rate case. The $133 million investment and the $187 megawatt gas peaker that have been planned to build, has been reduced about $100 million which represents approximately 100 megawatts of peaking capacity.

In addition, the 20 megawatts of 2019 solar for $43 million has been eliminated since we do not anticipated that we'll need this additional capacity. The reduction in generation capital allows us to reprioritize our T&D capital. We're able to now fund about [ph] $60 million (18:19) of additional projects that we'll continue to support the reliability for our service territory.

We also made the decision to invest $50 million more into TNMP through 2019, to support their continued above-average growth. The investments are for transmission infrastructure in North Texas and in distribution systems in South Texas because of customer growth there.

In summary, this makes our capital spending total $2.3 billion, up slightly from our previous forecast of $2.2 billion. We continue to expect the five-year rate base growth of PNM to be 5% to 7% and a TNMP rate base growth has increased to [ph] 79% (18:57) over the period. On a regulatory front, it's important to note that we have not made a decision regarding the CCN proceeding for the 187 megawatt gas peaker with the Commission. Additional time is needed to further evaluate other alternatives.

However, we are certain that we will need additional gas peaking capacity to drive the flexible reserves that are required to meet NERC operating criteria. We're therefore evaluating the 187 megawatt peaker versus smaller units to come up with a solution that best balances costs with [ph] the next rate (19:32) system support. We expect to make a final decision by early 2016.

Now let's take a look at what this does to the earnings power of the business on slide 13. To begin with we have updated the 2015 guidance midpoint for the narrowed earnings range. This bring our starting point of earnings power to $1.58 for the year. For 2016, you will notice that the majority of the [ph] rose are (19:56) consistent with our prior presentation of this slide.

PNM FERC now represents only transmission. This is consistent with our long-term strategic plans that we have been discussing. As you can see, the rate base number is down slightly and this is because we are showing the FERC generation contracts and items not in rates for 2016 and 2017.

But you'll also note there is an increase in EPS because the transmission business has a higher return. The ROE assumed for the transmission business is 7% to 9%, which accounts for the lag that is inherent in the formula rate methodology. Let's move to items not in rates where Navopache is now included.

In 2016, we will serve the entire load but at a reduced price, resulting in a $0.03 reduction in earnings potential. We've also refined some of the other estimates, such as our gas pension expenses. As you're aware, in 2009, we exited the gas business as part of that sale. We retained the obligation for the pension of those employees. When we filed for the rate case in August, we notified the Commission that we were considering annuitizing the gas portion of the pension obligation.

With these plans beginning in 2016, we have removed the impact of the gas portion of the pension, which is $0.02 to $0.03 improvement to ongoing earnings. You will recognize that the bottom line for 2016 earnings potential is unchanged at $1.50 to $1.73.

Now turning to slide 14. Looking at 2017, you will notice that total PNM has shifted slightly. Again FERC now only represents transmission rate base. 2017 Navopache is included in items not in rates as a $0.06 incremental decrease compared to 2016. We have updated the other items like the gas pension assumptions. So that in total it comes to $0.01 to a $0.04 earnings contribution in 2017.

I mentioned earlier that we have allocated additional capital to TNMP and therefore rate base is up, causing earnings to increase by $0.01. Overall, this brings the earning potential in 2017 slightly down to $1.94 to $2.01 which is a $0.03 reduction to our prior presentation.

Moving to 2019. What you see here is that the effects of the Navopache are no longer included in items not in rates. The former Navopache rate base moves to PNM retail beginning in 2018. That along with our current capital forecast brings the 2019 retail rate base up to $2.5 billion.

You will also notice that FERC shows a considerable increase in rate base. We expect to add additional FERC transmission customers. For example, we have signed transmission service agreements for delivery of more than

400 megawatts of wind power from Eastern New Mexico that will be sold to utilities in California beginning in 2017. The bottom line for 2019 is now $2.25 to $2.36. This is a $0.06 increase over the previous low end of the range, which was $2.19.

Wrapping up on slide 15. As you can see with the potential earnings power of the business, we anticipate delivering 7% to 9% earnings growth by 2019. We also expect to provide strong dividend growth over this timeframe as well. The next review of our dividend will be done by the board in early December.

With that, I'll turn it back over to Pat.

### Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

Thank you, Chuck.

As you can see, we continue to move forward constructively. The company is on track financially and we are working through our key regulatory filings. We continue to focus on the core elements of our strategy which is centered on serving our customers. And I'm very pleased to say that in the latest J.D. Power customer satisfaction scores, PNM showed significant increases on all areas and that's especially significance given our high profile regulatory filings.

I am proud of what we have accomplished and I am especially proud of the excellent work of our dedicated employees. They truly drive the success of PNM Resources and they do it by putting our customers first every day.

Operator, let's open up the call for questions.

# QUESTION AND ANSWER SECTION

**Operator**: Thank you. [Operator Instructions] Our first question is from Anthony Crowdell at Jefferies.

### Anthony C. Crowdell
*Jefferies LLC*

Q

Hey, good morning. I know there was a lot of moving pieces about the Navopache stuff. But I guess if I look on slide 13, on the Palo Verde free line, now for 2016 year showing a loss of $0.12 there, was before you were showing just a loss of $0.05?

### Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

Good morning, Anthony. I'm going to turn that one over to Chuck.

### Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Yes, Anthony, as you all know given where power prices are in the market, we've shown in the footnote that the projections that Palo Verde 3 are down about $29 a megawatt hour, it takes about $43 a megawatt hour to breakeven. So we've reflected in our numbers for 2016 the fact that we have prices at a lower level. We continue to manage that but the focus here is to eventually get this into rate base and we'll have to deal with the volatility of the market until such time occurs.

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Anthony C. Crowdell
*Jefferies LLC*

Q

Now over to Navopache. The generation I guess that you were serving that contract with, you're now going to use that generation to serve I guess retail customers and I'm assuming that's in a lower margin than what the contract was for?

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Yes, if you kind of understand that what we're talking about is with the prices in the market and as low as they are, it really was not beneficial for us to continue to work with Navopache on a wholesale contract but begin to move that generation. That was previously allocated from the retail rate base back into rates so we can serve our customers. And coincide that, we negotiated to coincide this with the 2018 plan with the two unit shutdown and Palo Verde coming in and also plans for the gas peaker. So it really does balance out nicely for our overall plans and work towards getting out of the wholesale market and allowing these resources to be dedicated to our customers in serving reliable and [ph] power further needs (26:33) going forward.

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Anthony C. Crowdell
*Jefferies LLC*

Q

I guess when we think about 2018, you filed the rate case [ph] I heard for the (26:42) August or September, you filed the rate case maybe get a decision sometime in October. You're going to have to file the second rate case since I guess the future test year decision came during this year was not favorable. Do you file again right after the decision comes out? I'm assuming to get rates in for early 2018, you need to file rather quickly once you get that decision out?

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Yes, we would be looking to file in December 2016 in order to work towards an effective rate case of January 2018, so it will be coming very quickly after we settle this current rate case.

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Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

And remember, Anthony, that our future test year case is still on appeal and we hope to get that back. And then we'll have an idea of which definition of the future test year there is, so we're still waiting on that decision also.

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Anthony C. Crowdell
*Jefferies LLC*

Q

But you cannot change the current filing now regardless of what happen to the future test year, is that correct?

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

That's right.

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Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

That's correct.

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Anthony C. Crowdell
*Jefferies LLC*

Q

Okay. And just lastly, my question was related to – if I go to slide five, you listed terms of the settlement, you've already spent though some of the money or maybe a lot of the money on the SNCR for Units 2 and 3. What would be the total – if BART is not going to approve, what is the total amount of stranded cost? You have $128 million here for Unit 2 and 3 but that's only half the investment. So you're looking at a total somewhere like $258 million then what's also the scrubber cost that you've put SNCR cost on top of the $258 million.

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Yes. And Anthony, Jimmie can give you more details but the bottom line, the SNCR capital cost for PNM are about $26 million. So that's Unit 1 50% and also the megawatts that we intend to spend for our involvement in Unit 4 [ph] for $26 million (28:42)

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Anthony C. Crowdell
*Jefferies LLC*

Q

Any other capital that you've spent in the plan that's involving its rate proceeding other than SNCRs?

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

There is some balance draft capital that we also have in the current case.

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Anthony C. Crowdell
*Jefferies LLC*

Q

And the total of that?

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Total of that is about $52 million, so brings it up to about $78 million when you add those together.

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Anthony C. Crowdell
*Jefferies LLC*

Q

Great, thanks for taking my questions.

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Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

Thank you.

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Thank you, Anthony.

**Operator**: The next question is from Brian Russo of Ladenburg Thalmann.

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Brian J. Russo
*Ladenburg Thalmann & Co., Inc. (Broker)*

Q

Hi. Good morning.

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Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

Good morning, Brian.

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Hi, Brian.

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Brian J. Russo
*Ladenburg Thalmann & Co., Inc. (Broker)*

Q

Just when we look at slide 14 and the 2017 earnings potential, obviously you're making assumption of a 10% ROE which I guess would be subject to change, but it seems like while you get a full year of new rates in the pending rate case, you're going to file another case for the 2018 future test year. Is there any reason for us to believe that you'll experience regulatory lag in 2017 or – contingent on what the allowed ROE is, are there any like major [ph] net plant (29:51) expenses that hit the income statement in 2017 to create a lag?

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

There could be a slight lag on the ROE, but for the most part given that we always assume the 10%, continuing to make that assumption going forward, each year there is a slight lag in returns relative to additional investment in capital and clearing that occur at depreciation and just normal O&M costs, et cetera.

So within the 100 basis points would probably be – again a rule of thumb is that regulatory lag works towards the actual filing and the effective rate case for 2018 to get us caught back up.

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Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

But nothing major, Brian, there is no big expenses there.

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Brian J. Russo
*Ladenburg Thalmann & Co., Inc. (Broker)*

Q

Okay, got it, okay. And then I think in Texas, the staff recently filed a memo noting that TNMP was over-earning in 2014 but recommended no action. I was just curious what drove the over-earning in 2014 was it load, weather?

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Charles N. Eldred
*Chief Financial Officer & Executive Vice President*

A

Yes, I would say it's mostly load and weather and what they saw when we sat down and had discussions with them is that we continue to invest a significant amount of capital both in transmission and distribution. And when you think about the clearing of the capital and the added depreciation, it really gives the earnings back in line to what is allowed.

So they were very open and supportive and understanding what our business model looks like in Texas and the fact that because of that growth, we're not holding back. We're actually investing more as I pointed out in this presentation to continue to improve the growth in the investment and transmission and distribution in TNMP.

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*
A

Yes, and, Brian we pointed out the PNM won a Reliability [ReliabilityOne] Award but TNMP's reliability is also very good and our customer complaints [inaudible] (31:42) almost nothing in Texas. So I think the fact [indiscernible] (31:45) that we keep investing and taking care of our customers, they understand we're committed to the business and that's very helpful.

Brian J. Russo
*Ladenburg Thalmann & Co., Inc. (Broker)*
Q

Got it. And just could you talk about the voting parameters or requirements by the New Mexico Commission, meaning do you need a majority of the fives, you need three votes in favor or against BART in order for to get approval or not. Do you understand what I'm saying, meaning if one commissioner was to choose but you're down to four, you still need three of those four to vote one sided?

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*
A

That is correct. You got it, Brian.

Brian J. Russo
*Ladenburg Thalmann & Co., Inc. (Broker)*
Q

Okay, great. Thank you.

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*
A

Thank you.

**Operator**: [Operator Instructions] Our next question is from Paul Ridzon at KeyBanc.

Paul T. Ridzon
*KeyBanc Capital Markets, Inc.*
Q

I think you said it but I may have missed it. What is the weather year-to-date versus 2014 [ph] here and normal (32:44)?

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*
A

You mean in terms of the cents?

**Paul T. Ridzon**
*KeyBanc Capital Markets, Inc.* Q

Yes.

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**Patricia K. Vincent-Collawn**
*Chairman, President & Chief Executive Officer* A

Cents on earnings per share.

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**Paul T. Ridzon**
*KeyBanc Capital Markets, Inc.* Q

Correct.

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**Patricia K. Vincent-Collawn**
*Chairman, President & Chief Executive Officer* A

Hang on a minute, let me go back to that page. Okay, weather was plus $0.03 in PNM, and load and weather combined in TNMP were $0.01.

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**Paul T. Ridzon**
*KeyBanc Capital Markets, Inc.* Q

This is year-to-date?

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**Patricia K. Vincent-Collawn**
*Chairman, President & Chief Executive Officer* A

Quarter.

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**Paul T. Ridzon**
*KeyBanc Capital Markets, Inc.* Q

Do you have year-to-date numbers?

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**Charles N. Eldred**
*Chief Financial Officer & Executive Vice President* A

Not in front of me right now. Why don't you just call Jimmie, she'll give it to you.

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**Paul T. Ridzon**
*KeyBanc Capital Markets, Inc.* Q

I can dig them up.

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**Charles N. Eldred**
*Chief Financial Officer & Executive Vice President* A

Okay.

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**Paul T. Ridzon**
*KeyBanc Capital Markets, Inc.* Q

And then there is no procedural schedule per se at the Supreme Court, but you are expecting an expeditious review?

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

That is correct. There is no procedural schedule but they clearly understand the time-sensitive nature of it and the benefits of getting the San Juan restructuring, the coal contract on, so we would expect them to roll quickly.

Paul T. Ridzon
*KeyBanc Capital Markets, Inc.*

Q

Next end of November, is that fair?

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

By the end of November we would hope sooner, but by the end of November I think that's a fair guess.

Paul T. Ridzon
*KeyBanc Capital Markets, Inc.*

Q

Got it. Okay, thank you very much.

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

A

Thanks, Paul.

**Operator**: There are no further questions and this concludes our question-and-answer session. I would like to turn the conference back over to Pat Vincent-Collawn for any closing remarks.

Patricia K. Vincent-Collawn
*Chairman, President & Chief Executive Officer*

Thank you, and again thank you all for joining us today. We are looking forward to seeing many of you in 10 days at [ph] EEI (34:16) and we'll have any relevant updates there. And we hope you all have a very safe and happy Halloween. Thank you.

**Operator**: The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.