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PNM Resources, Inc. (PNM)

FY 2016 Guidance Call

CORPORATE PARTICIPANTS

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning and welcome to the PNM Resources 2016 Earnings Guidance Conference Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Jimmie Blotter, Director of Investor Relations. Please go ahead.

Jimmie Blotter
Director-Investor Relations and Shareholder Services

Thank you, Laura, and thank you, everyone, for joining us this morning for the PNM Resources 2016 earnings guidance 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 & CEO, Pat Vincent-Collawn, and Chuck Eldred, our Executive Vice President & 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.

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. I hope you all are having a wonderful holiday season. As we approach the end of this very busy and successful year, it's time to look ahead and provide our earnings guidance for 2016. But, first, I would like to talk about our most recent and very important news: the New Mexico Public Regulation Commission approval of BART that we received earlier this week.

Let's start on slide four. I'm very pleased to say that on December 16, the PRC formally approved our plans for the San Juan Generating Station. This ruling comes almost exactly two years after our initial filing with the commission. We knew that this plan was the best for our customers, for the company, for the state as a whole, and the environment. It also paves the way for New Mexico's compliance with the Clean Power Plan. Now, we can move forward with implementation.

I would like to congratulate and thank the PNM team that has worked tirelessly on BART. This has been a long and challenging process, and I am proud of the people who are responsible for bringing it to a successful conclusion. I would also like to acknowledge and thank the other folks that have been involved, including Governor Martinez and her office, various community and business groups, the Navajo Nation, the EPA, and many of our interveners who have been involved extensively for years now.

BART has been an all-consuming task for many people for quite some time, and I am thankful to see the commission support the settlement agreement that we presented to them. We will now move forward with plans to retire Units 2 and 3 at the end of 2017. And we will replace the power with the mix of resources we proposed, which is an additional 132 megawatts from San Juan Unit 4, an additional 134 megawatts from Palo Verde Unit 3, 40 megawatts of solar, for which construction is almost complete, and a gas peaking plant to be built on the San Juan site.

The New Mexico Commission approval was a critical milestone in completing this process. In addition, we need FERC approval on the 203 filing, and we have asked for that to be done before year-end. The approval we need is at a staff level, so it does not need to be addressed by commissioners in an open meeting.

Once all of the regulatory approvals are received, the sales of mine can be completed and we will be able to enact a new coal contract and the ownership restructuring agreement for San Juan, which together bring significant savings for our customers.

And finally, the SNCR equipment has been installed on San Juan Units 1 and 4, and is expected to be fully operational next month. We will recover the cost of the equipment in the rate case that is currently pending before the Commission. That case also includes the previously approved 40 megawatts of solar replacement power. The remaining items related to the BART settlement will be included in the 2018 rate case, which we expect to file in December of 2016.

I want to emphasize that the implementation of the BART plan combined with the significant investments we have already made positions San Juan for continued operation into the future, while meeting and, in many cases, exceeding environmental regulations. Emissions from BART will put the plant in compliance with the haze regulations and place New Mexico in good shape to comply with the Clean Power Plan.

The environmental upgrades we have made between 2006 and 2009 and the installation of the BART result in significant reductions of several admissions, including a 78% reduction in NOx, an 87% reduction in SO_2, and an 85% reduction in particulate matter emissions. In addition, the plant had 99.5% removal efficiency for mercury.

Balanced draft will assist the plant in complying with the National Ambient Air Quality Standards by eliminating fugitive emissions of NOx, SO2, mercury, and other pollutants.

Coal ash at San Juan is dry handled and returned to the former surface mine pit for reclamation. There are no wet coal ash storage ponds or pipes transporting coal ash. Regarding 316(b), San Juan uses a closed-cycle cooling system and is thus well-situated to comply with the rule. EPA's [ph] final stream effluent guidelines (06:41) rule that was issued earlier this year is expected to have minimum impact on San Juan since it is a zero-discharge facility. So, the bottom line, we know of no existing or anticipated environmental regulations that would reduce the viability of our plant going forward.

Let's now move to slide five. Looking forward, we continue to focus our strategic financial goal of earning our authorized returns, maintaining investment grade credit ratings, and providing above-average industry earnings and dividend growth. We remain on track with our earnings growth goal. You can see that our 2016 guidance range of $1.55 to $1.76 continues along our 7% to 9% growth trajectory. I'm pleased to say that TNMP is expected to continue to perform well, driven by increased load and recovery of our transmission investments.

PNM had a challenging start to 2015 in the regulatory environment, but we are back on track. The re-filed rate case is proceeding as expected. Rate should be effective in the third quarter of 2016. From a customer perspective, when you net the fuel and other savings against the rate request, the overall impact to customer build is only 5.4%. Over the last few years, we have implemented company-wide efforts to strengthen relationship with customers and to improve their experiences with PNM. Despite the challenges we continue to face, we have achieved company record high levels of customer satisfaction.

Another regulatory challenge this year was related to the definition of the future test year. Now that the Commission has modified its interpretation of the future test year definition to make it consistent with the statute, there is no longer a need to continue the appeal we filed in the State Supreme Court. We will be taking steps to conclude that matter in the next month or so. And, obviously, the PRC approval of BART lays the groundwork for our 2018 rate case.

If you turn to slide six, we'll give you an update on the dividend. As you saw last week, the board increased the annual dividend by 10%. This makes the annualized dividend $0.88. We continue to target our 50% to 60% payout ratio. The board will continue to review the dividend each year and, in the near-term, we expect continued above-average increases. Once we are through our heightened CapEx period, the board may consider increasing the 50% to 60% payout ratio to bring it more in line with the industry.

Now, I'll turn it over to Chuck Eldred, our Chief Financial Officer, for a closer look at the numbers.

Charles N. Eldred
Chief Financial Officer & Executive Vice President

Thank you, Pat, and good morning, everyone. 2016 will be a transitional year for the company. We have much of the uncertainty behind us now with the PRC approval of the BART plan. And going forward, our regulatory filings at PNM should be focused on recovery of investments that are required to prudently run our business. At TNMP, we continue to see load growth and we'll continue to make prudent investments to support the reliability of that business.

Now, let's go to the details of 2016 guidance beginning on slide eight. On this slide, we compare the previously issued 2016 earnings potential to the 2016 guidance we're issuing today. As you can see, the ranges between earnings potential and guidance are similar. But there are adjustments to the individual items as you move away from the rate base map that the earnings potential was based on.

Beginning with PNM Retail, 2016 guidance is $1.08 to $1.24. This is a slight adjustment to the earnings potential view. The expectation shown here reflects the full ask and varies depending on the implementation date between July 1 and October 1. I'll provide you with some information to help you make your own assumptions on the rate case in a moment. In addition to the rate case, PNM Retail will also be affected by other drivers, for example, regulatory lag for the first portion of the year and load which we continue to forecast conservatively.

Next is Renewables at $0.06. This is in line with the earnings potential previously shared. FERC Transmission earnings potential showed a range of $0.08 to $0.10, but we're guiding this business to be $0.09 to $0.10. The tightened range is based on our forecast for 2016. Palo Verde Unit 3 is fully hedged for 2016 and we have updated the guidance for the prices we expect to see. Items not in rates is expected to be in line with the midpoint of 2015 at $0.03 to $0.04. This brings total PNM to $1.12 to $1.30.

TNMP continues to be an example of what the difference is between earnings potential and guidance. TNMP is expected to continue to have TCOS filings and strong load growth. Therefore guidance is $0.49 to $0.51, which is above their earnings potential, but slightly lower than the 2015 midpoint.

Corporate and Other is also a little higher than the earnings potential that we have discussed, with benefits in 2016 provided by the retirement of the 9.25% debt in 2015 and the restructuring agreement in San Juan. That brings the total range of 2016 to $1.55 to $1.76. Once we have the rate case finalized, we'll be able to provide an updated guidance range for you.

Now, turning to slide nine, we continue to see positive movement in Albuquerque's employment growth, outpacing the State of New Mexico and getting closer to the U.S. rate. We also continue to forecast customer growth at PNM at 0.5%. We are forecasting load growth at a range of flat to down 2%. While we see signs that the economy continues to stabilize, we do not see enough growth to counter-balance the effects of energy efficiency.

Now, turning to slide 10, I'll walk through the assumptions related to PNM's general rate case in 2016. As you remember, we filed for $123.5 million increase based on a 10.5% ROE. Implementation of this full request on July 1 would increase PNM's EPS by $0.40. A 25-basis point difference in the ROE would impact EPS by $0.04 on an annualized basis. Implementation of the full request after July 1 would also reduce the amount in 2016.

Here, you can see some sensitivities around the effect of delays in the rate implementation would have on our 2016 EPS. As a reminder, key dates upcoming for the rate case includes staff and intervenor testimony due at the end of January, rebuttal testimony due in February, and hearings in March. It's our objective to stay on the current schedule with this case.

Now turning to slide 11, it reflects the rest of PNM's assumptions for 2016 compared to 2015. The purchase of the 64 megawatts of Palo Verde Unit 2 leases in January will increase earnings by $0.12. This represents a full year impact to the eliminated O&M cost for the actual lease expense, partially offset by increased depreciation and interest expense tied to the purchase. Weather has lowered PNM EPS in 2015 by $0.03 through the third quarter. So we've assumed an increase to get us back to normal weather for 2016.

O&M cost associated with the outages should be lower in 2016 by up to $0.02, as we've gotten through some major outages at San Juan for the installation of the SNCRs. The outage schedule is in the appendix. Palo Verde Unit 3 earnings are expected to come in $0.12 lower than 2015 as market prices continue to be depressed. These sales are fully hedged for 2016 at an average around-the-clock price of $26 per megawatt hour.

Since Palo Verde 3 will serve the New Mexico retail customers beginning in 2018, we're not able to sell that power for this asset under long-term contract, so we'll be exposed to the lower price levels in the meantime.

As I mentioned early, we have projected load growth at the range of flat to down $0.02, with each percentage point equals a $0.05 of earnings. Also reducing earnings in 2016 is lower AFUDC as our capital spending level comes down from 2015 peak that was in our capital plan. In addition to the 2016 total capital being lowered, $164 million is for the Palo Verde 2 lease purchase. This capital will not earn AFUDC as the asset is already constructed.

Depreciation and property tax are expected to increase $0.04 to $0.06 as a result of the capital that is placed into service. Interest expense should be higher in 2016 due to the $250 million of long-term debt that we issued in August of this year.

On the third quarter earnings call, I talked about how the FERC Generation Navopache contract will begin to phase out in 2016, reducing earnings by $0.03 that you can see here. Also, you'll remember that we saw a pickup in 2015 of $0.03 related to the one-time El Paso Natural Gas FERC tariff refund. This will not occur in 2016.

Finally, revenue from our renewable rate rider is expected to decline in 2016 as our renewable rate base depreciates. You'll remember that we've added 40 megawatts of solar in 2015, but we have included this in our general rate case and it's not part of the rider.

One item that is typically a driver for us that you do not see on this list is the impact of the Palo Verde Nuclear Decommissioning Trust gains. That's because the gains are expected similar to 2015. As we continue to position the Unit 3 portion of the trust for addition to retail rate base in 2016, you can find the assumption on this item as well as our usual breakdown of quarterly EPS for the company in the appendix.

Now, let's turn to TNMP beginning on slide 12. We continue to see strong growth within this business segment. While employment growth in Houston has decreased from a year ago, it continues to be positive measure. And Dallas continues to outpace the State of Texas and the United States. Keep in mind the Dallas area accounts for nearly 40% of TNMP's revenues, while the Houston area accounts for approximately 50%, and West Texas makes up less than 10%.

I want to note that West Texas portion of the TNMP's territory is at the Permian Basin. Although the area has been more exposed to oil prices and drilling is down, their production is up. And as a result, we have not seen a reduction in our load. TNMP residential customer growth is forecasted at 1% again for 2016, and overall load is also, again, projected to increase between 2% and 3%.

Now, let's turn to TNMP's full earnings guidance and drivers on slide 13. Once again, we expect to implement two TCOS increases during the year. We expect to make those filings in January and July, with implementation in March and September, respectively, adding $0.03 to $0.04 to EPS. We are projecting a load increase of 2% to 3%, which increases earnings by $0.01 for each percentage point. We expect to see O&M to be flat to an increase. This results in drivers that are $0.00 to negative $0.02.

We continue to make capital investments to support the growth in our service territory, which leads to increased depreciation and property taxes that we forecasted at $0.02 to $0.03. A portion of these costs related to transmission assets, which is about 40% of capital, are recovered through TCOS filings. Interest expense also rises in 2016, this in effect of issuing the long-term debt.

Next, let's review some of the changes we're seeing in the Corporate and Other segment on slide 14. While I know that you're all familiar with the retirement of our 9.25% debt in 2015 and the associated increase in short-term debt levels, I also want to remind you that the San Juan restructuring agreement is expected to go in effect in January 2016 and that the demand charges paid to PNM Resources from the existing parties related to the additional 65 megawatts at Unit 4 as part of the Corporate and Other segment, until it is moved to PNM, which will likely occur at the end of 2017. This will result in $0.01 improvement to earnings in 2016. Therefore, in total, we expect the Corporate and Other segment to improve slightly over 2015.

So, now, let's review some detail on how we are investing at the business and what that means for earnings beyond 2016; so wrapping up on slide 15. You can see the earnings potential for each of the remaining years through 2019. Our view is consistent with our earnings target of 7% to 9% growth for that time period and is consistent with the numbers that we have seen before. We continue to execute on our current plan to maximize the earnings potential that we could realize in our business by focusing on regulatory outcomes and earning our authorized returns.

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

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

Thanks, Chuck. We're focused on execution. We remain committed to achieving constructive regulatory outcomes, maintaining operational excellence, improving customer satisfaction, and running the business efficiently. We're now happy to take questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] And our next question will come from Brian Russo of Ladenburg Thalmann.

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

Hi. Good morning.

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

Good morning, Brian.

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

Good morning, Brian.

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

Just, Chuck, to clarify, PV3, is it completely un-hedged in 2017?

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

Yeah, it's not hedged in 2017 at this point. We typically try to hedge on a rolling 12-month basis. And obviously, with prices as low as they are, we would like to think that there'd be some anticipation of some improvement in 2017, but it's just too hard to predict. So, we're really on the downside of the lower gas prices and hedging that asset. But it's fully hedged in 2016, and that's as a result of the lower prices that we're able to hedge in 2016 that resulted in the $0.12 hit in [indiscernible] (21:30).

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

Q

Got it. Got it. Understood. And then, how does the sales assumption in the current rate case of PNM will actually compare with your flat to negative 2% outlook assumption for 2016?

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

A

I'm sorry, Brian. Will you give us the question again?

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

Q

Yeah. Just the sales assumption in the current rate case filing, how does that compare with your actual outlook for 2016?

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

Brian, it's really – the final would be more flat to what we expect over 2015. But, again, we're going to be conservative because we just don't see enough consistency in the trends to give us comfort to think it'd be any better than that. And we're going to continue to be a little more pessimistic on thinking about the downside effect of that on a continuous basis, and then address that in this rate case that's pending right now.

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

Q

Okay, great. Thank you.

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

A

Thanks, Brian.

Operator: And the next question comes from Anthony Crowdell of Jefferies.

Anthony C. Crowdell
Jefferies LLC

Q

Good morning.

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

A

Hey.

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

Good morning.

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

A

Good morning, Anthony.

Anthony C. Crowdell
Jefferies LLC

Q

Just one housekeeping question and something else. I think you had said when do you expect to file the 2018 general rate case?

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

A

In December of 2016.

Anthony C. Crowdell
Jefferies LLC

Q

Got it. Okay. And I guess, just lastly, if you look at 2015, your regulatory calendar was very busy. We had future test years, BART, we had settlements, I guess, people pull out and everything else. It looks like things have maybe cleared or maybe a little easier in 2016. And I guess my question is has all the emotion that went on in 2015 poison the well that when we look at to 2016 rate preceding going on and then you're going to file again in December 2016 for the 2018 case, has all that emotion poisoned the well in the next couple of rate proceedings?

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

A

I don't think so, Anthony. I think that given the fact that we remain constructive throughout the whole 2015 rate case and we were willing to go back and work with the intervenors, I think they really appreciated that and I think the Commission even said at the hearing that they appreciated everybody's positive attitude in working towards a settlement.

Obviously, we had one party that did not join that settlement or a couple of parties that didn't joint that settlement. But I think everybody understands that we remain positive, we stay positive that this was the most complicated case ever to be seen in New Mexico. And now we're kind of back to much more plain vanilla rate cases. So, I don't think that anything got poisoned here. I think that the way the company and the employees handled itself was very good.

Anthony C. Crowdell
Jefferies LLC

Q

And just lastly, when the BART proceeding, I think, the vote was like I believe four to one, do you know the last time the Commission unanimously approved something?

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

A

Anthony, we'd have to get back to you on that for certain. There have been some smaller things that the Commission has unanimously approved in terms of some riders. I think they unanimously approved opening a workshop on something. So, I don't know off the top of my head, but we will get back to you. And when commissioners have voted against, they've actually been different commissioners voting differently. There was a vote yesterday, for example, some of the folks wanted more time on the SPS rate case, and the Commission said no. With commissioner – it was four to one, but it was Commissioner Montoya voting against that as opposed to Commissioner Espinoza who voted against the BART proceedings. So it's been a different mix of commissioners voting, but...

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

I think some of the smaller items, the solar at 40 megwatts, the Delta purchase, which we called the Rio Bravo Generating Station. There's been a lot of smaller projects throughout the proceedings over the last year that are included in the 2016 rate case that have been approved, that have been supported by the Commission. But we can go back and give you, as Pat said, some details.

Anthony C. Crowdell
Jefferies LLC

Q

Thanks and...

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

A

And the future test year change, Anthony, when the Commission decided to go with the definition that we and SPS had advocated, that was unanimous.

Anthony C. Crowdell
Jefferies LLC

Q

Okay, great. Thanks for taking my question and enjoy the holidays.

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

A

Thanks, Anthony. You too.

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

You, too. Thank you.

Operator: [Operator Instructions] Our next question comes from Leon Dubov of Luminus Management.

Leon Dubov
Luminus Management LLC

Q

Hey, guys. Good morning.

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

A

Good morning, Leon.

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

Good morning.

Leon Dubov
Luminus Management LLC

Q

I just want to make sure I understand the assumptions for the rate case that you have in guidance. So, if I look at slide eight for the PNM Retail $1.08 to $1.24, you said that includes the full implementation of your full ask for the rate case?

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

That's the full ask using the July 1 and the October 1, and then we've adjusted it for load and some of the regulatory lag to reflect that.

Leon Dubov
Luminus Management LLC

Q

So, again, this assumes full ask with...

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

Full ask, yeah.

Leon Dubov
Luminus Management LLC

Q

[indiscernible] (26:34) are the different implementation dates. That's what makes the difference.

Charles N. Eldred
Chief Financial Officer & Executive Vice President

A

That's correct.

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

A

Correct.

Leon Dubov
Luminus Management LLC

Q

Okay. And then I can use that with the sensitivities you gave on slide 10. So, effectively, if we got an August 1 implementation date, it would be $0.08 off the top-end? Is that the right way to read that?

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

That's correct, yeah.

Leon Dubov
Luminus Management LLC
Q

Okay. Got it. Thank you. I just wanted to...

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

And again, I want to emphasize, we are focusing very, very intently on the July 1 date. So the schedule we have out there is, our objective is not to, from our standpoint, have any alteration to that timing.

Leon Dubov
Luminus Management LLC
Q

Okay. Thank you.

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

Thanks, Leon.

Operator: And next we have a question from Tim Winter of Gabelli & Company.

Timothy Winter
Gabelli & Company
Q

Good morning and congratulations on getting all of these approved; the BART approval and the test year.

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

Good morning. Thank you, Tim.

Timothy Winter
Gabelli & Company
Q

You should see if Jimmie and Chuck will let you take a vacation anytime soon.

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

Actually, I cancelled my vacation to be here today, Tim. So, maybe next year, they'll let me have one.

Timothy Winter
Gabelli & Company
Q

I was wondering if you could talk a little bit about the future test year procedures. Do you have basically all the procedures and processes set now to file for that or do you still need to do some more work with the Commission?

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

No. We need to go ahead and take back the appeal at the Supreme Court and finalize that. But in terms of ours, we've practiced this, so we'll now have in this rate case that we have right now, while it is not a future test year, we worked through with the staff and intervenors to make sure we had the models and the data in a way that they felt was complete. So, between that and the fact that we've done it before and that SPS has done this before, we feel we're in good shape to file the one in December of next year.

Timothy Winter
Gabelli & Company
Q

Okay. Great. Thank you.

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

And Tim, if I need some help getting a vacation next year, can I call you?

Timothy Winter
Gabelli & Company
Q

Absolutely.

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

Great. Thank you.

Timothy Winter
Gabelli & Company
Q

Thanks for having the call.

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

Thanks, Tim.

Operator: 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

That's okay. Well, thank you all for joining us. I know it's a busy holiday season for everyone. We've had a good year here at PNM Resources. And again, I just want to thank everybody at the company and the community and the governor's office and the Navajo Nation that worked with us to bring the BART plan to fruition.

I hope you all have a wonderful, safe and happy holiday season and look forward to seeing you all in the new year. Thank you.

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