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# PNM Resources, Inc. (PNM)

Q3 2019 Earnings Call

## CORPORATE PARTICIPANTS

Lisa Goodman

*Director, Investor Relations, PNM Resources, Inc.*

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

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## OTHER PARTICIPANTS

Alex Morgan

*Analyst, Bank of America Merrill Lynch*

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Paul Fremont

*Analyst, Mizuho Securities USA LLC*

Greg Gordon

*Analyst, Evercore ISI*

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good day and welcome to the PNM Resources Q3 2019 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 Lisa Goodman, Director of Investor Relations. Please go ahead.

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Lisa Goodman

*Director, Investor Relations, PNM Resources, Inc.*

Thank you, Sarah and thank you everyone for joining us this morning for the PNM Resources third quarter 2019 earnings conference call. Please note that the presentation for this conference call and other supporting documents are available on our website at [pnmresources.com](http://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.

With that, I will turn the call over to Pat.

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## Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

Thank you Lisa and congratulations on your appointment to Director of Investor Relations. We're all very happy for you. Good morning, everyone. Thank you for joining us today on our third quarter earnings call. It's also National Cook For Your Pets Day today and some website say its National Men Make Dinner Day; others say National Men Make Dinner Day is next Thursday. So, whatever day it is gentlemen, start preparing. But let's begin on slide 4.

Our GAAP earnings per share in the third quarter of 2019 reflect earnings of a \$1.28 compared to earnings of a \$1.09 in the third quarter of 2018. Ongoing earnings per share are a \$1.29 compared to a \$1.08 in the third quarter of last year. We are affirming our guidance of \$2.05 to \$2.11. Chuck will provide further details on the financials in a few minutes.

In terms of highlights of the quarter, higher temperatures increased our loads at both PNM and TNMP. At TNMP, this reflects yet another all-time record system peak, reflecting the growth that continued across Texas. On the regulatory front, TNMP filed its second TCOS filing in 2019 for recovery of \$22 million of transmission investments across its system and this filing was approved in September. These rates were implemented on September 19 and will increase the annual revenues by \$3.3 million.

In New Mexico, PNM received approvals from both FERC and the New Mexico Public Regulation Commission to acquire the Western Spirit transmission line in 2021. This is not only a significant investment for PNM, but is a key project for furthering New Mexico's plans to be a clean energy leader. The line will have the capacity to move 800 megawatts of wind energy investments across the state and encourages further investment in renewables. We continue on our path to exit the San Juan generating station and replace it with cleaner energy resources.

The docket for the abandonment of the plant and the financing of costs through securitization is continuing along the commission's procedural schedule. Through this schedule parties in the case were asked to provide briefs on whether the Energy Transition Act, the new state energy law should apply to this filing. PNM and other parties petition the New Mexico Supreme Court to ask the court to weigh in on the applicability of the law before these briefs. Although the court declined to provide an opinion on the issue at this time.

On slide 5, we've laid out the positions filed by interveners in the case on whether or not the EPA should be applied. You'll notice that there's a lot more green check marks here than red X's. Groups representing the San Juan area are concerned about this funds included in our securitization filing that benefit their community, job training, severance and economic development funds. Several environmental groups that were part of the legislative effort to pass the EPA and understand that it was clearly intended to be used for the abandonment of San Juan and to provide financial resources for the impacted community are supporting the filing. The case is moving through the procedural schedule to a hearing examiner recommendation and ultimately a commission order. If the order is not consistent with the Energy Transition Act, we will take it back to the Supreme Court.

Turning to slide 6. I'll touch on a few other updates on the regulatory agenda. At PNM, the filing for our Solar Direct Program, a voluntary solar subscription available to municipalities, tribal governments and large customers continues to move along the procedural schedule and we expect a decision in the first quarter of next year. We also expect a decision in the first quarter on our 2020 renewable plan, which includes the request for approval of 140 megawatt wind PPA. There are no other updates for the other pending dockets.

So with that, I'll turn it over to Chuck for a detailed look at the numbers.

## Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

Thank you, Pat, and good morning, everyone. I'll get started with a recap of results from this quarter before getting into our refreshed capital plans. I'll start with slide 8. As Pat mentioned earlier, higher temperatures increased load and earnings in both PNM and TNMP. This was a welcome change following our record low temperatures in the second quarter. As a result, we were able to ease up on some of the cost reduction plans that we put into place a few months ago. We continue to target the midpoint of our guidance at \$2.08.

All of the detailed drivers are included in the appendix. You'll note that PNM continue to benefit from the second phase or implementation of rates that began in January 2019. And then, TNMP results increased from the implementation of base rates and TCOS increases this year. At both businesses, these increases were partially offset by higher depreciation expense and property tax as a result of our increased capital investments. Corporate and other was up \$0.03 as a result of our effective tax rate. Because we are consolidated tax payer, taxes at the corporate segment are influenced by the timing of the earnings at PNM and TNMP.

Now, turning to slide 9. At PNM, we continue to see a steady increase in customer and job growth across PNM service territory. Recent newspaper articles have touted New Mexico's job growth as being one of the top of the nation. These jobs are primarily in the private sector with the highest growth in the leisure and hospitality sector, followed by professional and business services, and then education and health services.

Weather and load increased third quarter EPS at PNM by \$0.05 over last year, weather was the primary driver for this increase as cooling degree days were 14% higher than last year. Weather adjusted load increased in our industrial and residential classes, but was largely offset by the commercial class as companies implement energy efficiency programs. This is also the case on a year-to-date basis and we have reduced our load guidance to a range of a flat to 1% as we expect to come in around 0.5%. As I indicated last quarter, we have already factored these load expectations in the midpoint of our guidance range at \$2.08.

In Texas, growth continues to lead the nation and we see evidence of this by the increased demand on our system. Weather and load increased third quarter EPS at TNMP by \$0.02 over the prior year. Cooling degree days were 10% higher than last year. Demand base load has increased 4.3% on a year-to-date basis. We reduced our expectations for full year results to a range of 4% to 5% to account for the changes in the timing of some interconnections projected this year. But we'll still be expecting to bring these customers online in the coming months.

In any given quarter, EPS is not significantly impacted by these types of changes in percentages because of the low T&D rate charged to customers. But we do monitor the demand base load percentage as an indicator of the increased utilization of our system. As Pat mentioned, TNMP had a new system peak and as they have for several consecutive years. This further demonstrates our need for continued infrastructure investment in Texas.

Let's turn to slide 10 to see how this impacts our updated capital investment plans. Our five-year capital plan through 2023 has increased to \$3.9 billion. This is an increase of just over \$300 million from our last previous plan and is driven by system reliability projects at TNMP. For example in 2020, here are some key projects. A group of TNMP's transmission lines and substations in Northwest Texas will be upgraded from 69 kV to 138 kV to support growth in the region. In the Gulf Coast, the 138 kV transmission line upgrade will be completed to help the transmission capacity of contingency issues in support of interconnection of a new gas-fired power plant, and we'll begin in the replacement of AMI meters to be compatible with our current network capabilities which continue through 2021.

Growth beyond our service territory in Texas also drives the need for increased investments in 2022 and 2023. ERCOT has performed extensive regional studies that call for increased transmission infrastructure to support reliability and growth, particularly in West Texas. We have increased our investments at TNMP in response to those studies. Over the last several years, we have increased our level of capital investment at TNMP significantly and we have made use of the TCOS mechanism to recover transmission investments twice a year. Now that we have completed the general rate case at TNMP allowing for a 9.65% ROE and 45% capital structure, we'll now look to use the TCOS and DCOS mechanism to earn our allowed return on both sides of the business. PNM capital remains consistent with our plans shown last quarter with \$298 million for San Juan replacement power and \$285 million for the Western Spirit transmission line that was recently approved by both FERC and the New Mexico Commission.

In addition to investments at PNM and TNMP, we continue to allocate resources to physical and cyber security along with other technological investments that allow our business to run smoothly and provide enhanced services to our customers. Under this plan, the rate base grows at a compound annual growth rate of 9.6%.

Now, turning to earnings power on slide 11. TNMP reflects the increased investments shown in our five-year plan. Equity issuance have increased by \$140 million to fund the additional \$317 million of capital in TNMP and maintain a balance capital structure. This brings our total equity needs up to \$290 million in addition to the \$300 million of mandatory converts that we have been projecting for mid-2021. We're currently looking at – for block sale options and the exact timing and type of instrument and amounts will be optimized.

As we continue to keep our focus on delivering a successful outcome of the San Juan abandonment and replacement power dockets, we're planning to delay the December general rate case filing to early in the second quarter of 2020. The addition of estimates at TNMP strengthened our earnings potential support our 5% to 6% earnings growth target. We continue to focus on executing our plan and preserving our investment-grade credit ratings, while balancing the need of equity and creating shareholder value.

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

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## Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

Thanks, Chuck. Before I open it up for questions, I want to wrap up with some of the great things the company has been doing. Our plans to replace San Juan have garnered support from those who see the value in moving to a cleaner generation portfolio. Last week, we celebrated the completion of the San Miguel Solar Energy Center that adds 20 megawatts of solar to our portfolio, to serve retail customers along with boosting tax revenues for the county that can be used to support infrastructure and education. The PNM Resources Foundation awarded \$0.75 million in grants this quarter that supports STEM education, energy efficiency and economic vitality.

This past weekend, our employees volunteered in droves at our largest annual low-income assistant event, where customers not only received financial support from the PNM Good Neighbor Fund to pay their electric bills, but also a variety of other services for more than 40 agencies.

This week, some of our crews in New Mexico headed out to California to aid in restoration efforts. And in Texas, our TNMP crews assisted Oncor restoration efforts following the Tornado that swept through Dallas last month. This type of service is invaluable to our industry, and speaks so well of our public service mantra. It's our committed employees across New Mexico and Texas that are making these things happen and earning

recognition for PNM and TNMP. I'm proud to be a part of this team and my role in making our company and our communities a better place to live, work and play.

So, Sarah, let's please open it up for questions.

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## QUESTION AND ANSWER SECTION

**Operator:** We will now begin the question-and-answer session. [Operator Instructions] Our first question comes from Julien Dumoulin-Smith with Bank of America Merrill Lynch. Please go ahead.

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Alex Morgan

*Analyst, Bank of America Merrill Lynch*

Q

Hi, good morning. This is Alex Morgan calling in for Julian.

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Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Good morning, Alex.

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Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Hey, Alex.

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Alex Morgan

*Analyst, Bank of America Merrill Lynch*

Q

Good morning. Thanks for taking my question. My first question is actually about rate cases. I was wondering if you're planning on going in for a rate case at PNM in New Mexico at the end of this year.

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Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Yeah, Alex. As I mentioned in my comments that we would look to delay that rate case until the early part of second quarter.

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Alex Morgan

*Analyst, Bank of America Merrill Lynch*

Q

Okay. Thank you so much. And then, I was just hoping for potentially a little bit of clarity around the block issuance versus the ATM. Is that something that we should be thinking about incrementally for 2020? I know you said the timing is not exactly out yet, but I was just looking for a little more clarity there.

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Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Yeah. If you look at – if you reference our potential earnings power slide that we have in our deck in the appendix, you'll see in footnote number eight, we show you what the equity amount is for each year and you can think about the forward block sale is that if we continue on this plan, we would draw down the equity needs to be reflected of

each of those years. So, just go to page 17 in the earnings power slide in reference to the earnings power in footnote eight and you'll get your details.

Alex Morgan

*Analyst, Bank of America Merrill Lynch*

Q

Okay. Great. Thank you. That's all the questions that I have today.

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Thank you, Alex.

**Operator:** The next question comes from Ali Agha with SunTrust. Please go ahead.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

Thank you. Good morning.

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Good morning, Ali.

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Hi, Ali.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

Morning. First question, to Chuck, the incremental CapEx at TNMP, are you looking at any – are there any constraints in terms of dialing that up? Are those projects all locked in, customer rate impacts, any of that factoring in? Is this all fairly comfortably within all those parameters as you look at those numbers?

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Yeah, we're very comfortable. They're all built into studies that the Urquhart has provided and demands and requests we have of customers. So, no concerns or issues. It's locked into our plans and we'll plough through the TCOS and TCOS mechanisms in order to recover our investments.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

Okay. And then, with regards to the ETA applicability, any further discussions or clarity from where the commissioners currently stand? I know there have been some public statements back and forth and you laid out where all the other interveners are. But what's the latest thought on how commissioners are thinking about it?

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Ali, it's Pat. I think that they're waiting until all the briefs are filed until the hearing examiner comes out with the recommendation. So, until then, we really don't have line of sight into what they're thinking is, which is as it should be.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

I see. And finally, Chuck, with regards to the equity, is there a particular regulatory approval or any particular triggering event that you're looking to have completed before you embark on that program or how are you sort of thinking about that right now?

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

We have all the board authorizations and SEC statements already filed. So, it's just a matter of when we decide to issue the equity.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

Right. I was thinking more from a regulatory point of view?

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

No, there's no issues on the regulatory front at all.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

I see. Thank you.

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

No additional steps at all.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

No. Yeah. Yep. Thanks.

**Operator:** Our next question comes from Paul Fremont with Mizuho Securities USA. Please go ahead.

Paul Fremont

*Analyst, Mizuho Securities USA LLC*

Q

Thank you very much. Can you discuss at all I guess there's an article in the Albuquerque Journal that there are some people in the legislature that are opposed to the Energy Transition Act and they're also hearing scheduled I think next week in the Senate, in Cervantes Committee on the ETA. Can you sort of just bring us up to date with what their concerns are with the Energy Transition Act and what your thoughts are?



Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Yeah. Ali, there's a group called powering the future or something like that, that's pretty small, is composed of a few folks that are kind of – trying to revive the coal industry and don't like some of the environmental regulations. And as you know, the main reason that San Juan Generating Station is shutting down is because of the compelling low natural – price of natural gas and renewables. So, we're not particularly concerned about any of that.

Paul Fremont

*Analyst, Mizuho Securities USA LLC*

Q

Got it. And then, has there been any reaction to the staff proposal that you adopt carbon capture technology at the San Juan plant?

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

I think the best reaction that I've seen one is in the write up you had, Paul, about it, I think that summarizes it pretty well. There really has not been a lot of reaction to it. Everybody understands that this technology is not proven at scale, it's expensive. We looked at the technology back in 2010. As a matter of fact, it came to the same conclusions that we're updating the numbers on it now as we go through and file our resource plans. So, really no reaction.

Paul Fremont

*Analyst, Mizuho Securities USA LLC*

Q

And then, my last question. Would you need clarity on any of the issues before the NMPRC before going forward with equity or do you see that too as not necessarily being linked right now?

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Now, as that are not linked, we don't need any other regulatory approvals.

Paul Fremont

*Analyst, Mizuho Securities USA LLC*

Q

Yeah. No. No. I didn't mean regulatory. I'm talking about in terms of the spending dollars in New Mexico. So, in other words, there are different options in terms of replacement power portfolio. There is...

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

No, no. I say just no. If you're suggesting that we're timing the equity around what decisions are made. I'd say no, because we have other pipeline projects that are needed for the business there, that need to be prioritized and worked in. So, we need the equity to maintain our cap structure and our credit metrics and we'll plan it with some flexibility and timing to meet what we think is appropriate to provide shareholder value. But certainly, it's not driven by those kinds of decisions.

Paul Fremont

*Analyst, Mizuho Securities USA LLC*

Q

Great. Thank you very much.

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

Thanks, Paul.

A

**Operator:** Our next question comes from Greg Gordon with Evercore ISI. Please go ahead.

Greg Gordon

*Analyst, Evercore ISI*

Hey, guys.

Q

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

Hey.

A

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

Good morning.

A

Greg Gordon

*Analyst, Evercore ISI*

I already cook on a regular basis for my wife, so I don't need to have a special holiday for that.

Q

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

Well, congratulations to you. That's yay.

A

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

You don't need to say that, Greg. You made us all look bad.

A

Greg Gordon

*Analyst, Evercore ISI*

So, look, I know that you're in a complicated situation here in New Mexico, the regulators seem to want to not follow the guidelines that the legislature and the Governor had set for them. It sounds like the Governor and the legislature also might be contemplating taking some action in the early next year with regard to that. So, can you talk about what you're hearing from them?

Q

And then, in a worst case scenario where they did, the commission does in fact go against the strictures of the law, I mean, one way or another, you're going to move ahead with the shutting down the plant and deploying the renewables. So, what would be the alternative financing plan B?

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Yeah. Greg, I'll start with the first part and then, let Chuck talk about the second part. There's some discussion around the governance and the legislators of trying to do a couple of things, maybe enact some PRC reform that they can do legislatively as opposed to anything that needs to be done constitutionally. They aren't ready to go public with anything, but they are discussing that. There's also the discussion of making sure that there's legislation out that truly defines exactly what the qualifications for the commissioners will be, how they are appointed, so that when the initiative comes on the ballot in 2020, it will be very clear to people how that's going to be structured and we think that would be very helpful to that resolution passing.

Ultimately, if the commission decides that they don't think that the Energy Transition Act applies, as we said, we would go to the Supreme Court, because the question of whether or not the Act applies turns on the timing of when the application was filed and some parties have argued that when the commission bifurcated our consolidated application and put the abandonment and financing into a previously open docket, a constitutional provision that a change in law cannot effecting can pending case prevents the new law from being applied. That's really a misapplication of that position and our position has been that since there was no application until July 1, the EPA applies to all parts of our consolidated filings. So, we'd go back to the court on that and we're confident that the law does apply to it. So, that's that part, I'll let Chuck talk to you about.

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Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Yeah. So, Greg, we don't like talking about other downside scenarios, because it's – to Pat's point, we feel very comfortable that we have the right position, but if you're thinking of sensitivities, obviously you think about securitization wouldn't apply, so we'd have to issue additional capital, debt and equity in order to support the reinvestment into the replacement power.

And if you look at the earnings power, we did show kind of a timing of some flexibility of how we issue the equity and we have other capital projects that we're prioritizing and considering. So, there's a lot of different ways to think about achieving the earnings potential of the business and securitization. If it doesn't apply, we'll just address it at the appropriate time. But we feel very strongly that our view is reflected well within our plans and we continue to think of it that way.

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Greg Gordon

*Analyst, Evercore ISI*

Q

Thank you, guys. Take care.

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Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Thanks, Greg. We're looking forward to a report on what you made for dinner at EEI.

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Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

You can cook for all of us, Greg.

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**Operator:** Our next question is a follow-up from Ali Agha. [Operator Instructions]

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Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

Thanks. Chuck, just one clarification. As you mentioned in your comments that you push back the New Mexico rate case from year-end to middle or sometime in the second quarter of next year, how should we think about the regulatory lag for 2020 as a result of that pushback?

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Well, the effective date if we found in December for the new rate case would have been January 2021. So, we just look at the fact that if we file in early second quarter of 2020, then we'd have the rate case effective in early second quarter of 2021. So, from our standpoint, it's just timing and we don't think it's appropriate at this point given all the focus we have on ETA and the replacement power and the pending cases that we have with the commission that we need to pile on another rate case. So, the timing of this is really judge more towards making sure that we allow for some early approach to our rate case planning.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

Got you. So, the impact will be temporary, but we'll see that in 2021, this timing issue and then by 2022, you should be back on the annual track.

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

Correct.

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

Correct.

Charles N. Eldred

*Chief Financial Officer & Executive Vice President, PNM Resources, Inc.*

A

That's right.

Ali Agha

*Analyst, SunTrust Robinson Humphrey, Inc.*

Q

Got you. Thank you.

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

A

You're welcome.

**Operator:** This concludes the question-and-answer session. I would like to turn the conference back over to Pat Vincent-Collawn, Chief Executive Officer. Please go ahead.

Patricia K. Vincent-Collawn

*Chairman, President & Chief Executive Officer, PNM Resources, Inc.*

Thank you, Sarah. And again, thank you all for joining us this morning. Enjoy making your dinner, whether you make it for someone or your pets. Please feel free to bring us pictures at EEI. Have a safe weekend and we will see you all at EEI. Thank you.

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

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