

PNM RESOURCES INC  
 Form 10-Q  
 July 31, 2018  
Table of Contents

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
 OF 1934

For the quarterly period ended June 30, 2018

Commission File Number	Name of Registrants, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
001-32462	PNM Resources, Inc. (A New Mexico Corporation) 414 Silver Ave. SW Albuquerque, New Mexico 87102-3289 (505) 241-2700	85-0468296
001-06986	Public Service Company of New Mexico (A New Mexico Corporation) 414 Silver Ave. SW Albuquerque, New Mexico 87102-3289 (505) 241-2700	85-0019030
002-97230	Texas-New Mexico Power Company (A Texas Corporation) 577 N. Garden Ridge Blvd. Lewisville, Texas 75067 (972) 420-4189	75-0204070

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

PNM Resources, Inc. ("PNMR") YES  NO   
 Public Service Company of New Mexico ("PNM") YES  NO   
 Texas-New Mexico Power Company ("TNMP") YES  NO

(NOTE: As a voluntary filer, not subject to the filing requirements, TNMP filed all reports under Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months.)

Indicate by check mark whether each registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

PNMR YESüNO  
PNM YESüNO  
TNMP YESüNO

---

Table of Contents

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	Emerging growth company
PNMR	<input type="checkbox"/>	<input type="checkbox"/>		
PNM		<input type="checkbox"/>		
TNMP		<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether any of the registrants is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

As of July 25, 2018, 79,653,624 shares of common stock, no par value per share, of PNMR were outstanding.

The total number of shares of common stock of PNM outstanding as of July 25, 2018 was 39,117,799 all held by PNMR (and none held by non-affiliates).

The total number of shares of common stock of TNMP outstanding as of July 25, 2018 was 6,358 all held indirectly by PNMR (and none held by non-affiliates).

**PNM AND TNMP MEET THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS (H) (1) (a) AND (b) OF FORM 10-Q AND ARE THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION (H) (2).**

This combined Form 10-Q is separately filed by PNMR, PNM, and TNMP. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrants. When this Form 10-Q is incorporated by reference into any filing with the SEC made by PNMR, PNM, or TNMP, as a registrant, the portions of this Form 10-Q that relate to each other registrant are not incorporated by reference therein.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
 PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
 TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES

INDEX

	Page No.
<u>GLOSSARY</u>	<u>4</u>
<u>PART I. FINANCIAL INFORMATION</u>	
<u>ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)</u>	
<u>PNM RESOURCES, INC. AND SUBSIDIARIES</u>	
<u>Condensed Consolidated Statements of Earnings</u>	<u>8</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>9</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>10</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>12</u>
<u>Condensed Consolidated Statement of Changes in Equity</u>	<u>14</u>
<u>PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES</u>	
<u>Condensed Consolidated Statements of Earnings</u>	<u>15</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>16</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>17</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>19</u>
<u>Condensed Consolidated Statement of Changes in Equity</u>	<u>21</u>
<u>TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES</u>	
<u>Condensed Consolidated Statements of Earnings</u>	<u>22</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>23</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>24</u>
<u>Condensed Consolidated Statement of Changes in Common Stockholder's Equity</u>	<u>26</u>
<u>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>27</u>
<u>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>89</u>
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>127</u>
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	<u>130</u>
<u>PART II. OTHER INFORMATION</u>	
<u>ITEM 1. LEGAL PROCEEDINGS</u>	<u>130</u>
<u>ITEM 1A. RISK FACTORS</u>	<u>131</u>
<u>ITEM 5. OTHER INFORMATION</u>	<u>131</u>
<u>ITEM 6. EXHIBITS</u>	<u>133</u>
<u>SIGNATURE</u>	<u>135</u>

Table of Contents

## GLOSSARY

## Definitions:

2014 IRP	PNM's 2014 IRP
2017 IRP	PNM's 2017 IRP
ABCWUA	Albuquerque Bernalillo County Water Utility Authority
AEP OnSite Partners	AEP OnSite Partners, LLC, a subsidiary of American Electric Power, Inc.
Afton	Afton Generating Station
AFUDC	Allowance for Funds Used During Construction
AMI	Advanced Metering Infrastructure
AMS	Advanced Meter System
AOCI	Accumulated Other Comprehensive Income
APS	Arizona Public Service Company, the operator and a co-owner of PVNGS and Four Corners
ARP	Alternative Revenue Program
ASU	Accounting Standards Update
August 2016 RD	Recommended Decision in PNM's NM 2015 Rate Case issued by the Hearing Examiner on August 4, 2016
BART	Best Available Retrofit Technology
BDT	Balanced Draft Technology
Board	Board of Directors of PNMR
BTMU	MUFG Bank Ltd., formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.
BTMU Term Loan Agreement	NM Capital's \$125.0 Million Unsecured Term Loan
CAA	Clean Air Act
CCB	Coal Combustion Byproducts
CCN	Certificate of Convenience and Necessity
CO <sub>2</sub>	Carbon Dioxide
CSA	Coal Supply Agreement
CTC	Competition Transition Charge
DC Circuit	United States Court of Appeals for the District of Columbia Circuit
DOE	United States Department of Energy
DOI	United States Department of Interior
EGU	Electric Generating Unit
EIS	Environmental Impact Study
EPA	United States Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
ESA	Endangered Species Act
Exchange Act	Securities Exchange Act of 1934
Farmington	The City of Farmington, New Mexico
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FIP	Federal Implementation Plan
Four Corners	Four Corners Power Plant
Four Corners CSA	Four Corners Power Plant Coal Supply Agreement
FPPAC	Fuel and Purchased Power Adjustment Clause
FTY	Future Test Year
GAAP	Generally Accepted Accounting Principles in the United States of America
GHG	Greenhouse Gas Emissions
GWh	Gigawatt hours

IRP	Integrated Resource Plan
IRS	Internal Revenue Service
ISFSI	Independent Spent Fuel Storage Installation
KW	Kilowatt
KWh	Kilowatt Hour
La Luz	La Luz Generating Station

Table of Contents

LIBOR	London Interbank Offered Rate
Lightning Dock Geothermal	Lightning Dock geothermal power facility, also known as the Dale Burgett Geothermal Plant
Lordsburg	Lordsburg Generating Station
Los Alamos	The Incorporated County of Los Alamos, New Mexico
Luna	Luna Energy Facility
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
MMBTU	Million British Thermal Units
Moody’s	Moody’s Investor Services, Inc.
MW	Megawatt
MWh	Megawatt Hour
NAAQS	National Ambient Air Quality Standards
Navajo Acts	Navajo Nation Air Pollution Prevention and Control Act, Navajo Nation Safe Drinking Water Act, and Navajo Nation Pesticide Act
NDT	Nuclear Decommissioning Trusts for PVNGS
NEC	Navopache Electric Cooperative, Inc.
NEE	New Energy Economy
NEPA	National Environmental Policy Act
NERC	North American Electric Reliability Corporation
New Mexico Wind	New Mexico Wind Energy Center
NM 2015 Rate Case	Request for a General Increase in Electric Rates Filed by PNM on August 27, 2015
NM 2016 Rate Case	Request for a General Increase in Electric Rates Filed by PNM on December 7, 2016
NM Capital	NM Capital Utility Corporation, an unregulated wholly-owned subsidiary of PNMR
NM District Court	United States District Court for the District of New Mexico
NM Supreme Court	New Mexico Supreme Court
NMAG	New Mexico Attorney General
NMED	New Mexico Environment Department
NMIEC	New Mexico Industrial Energy Consumers Inc.
NMMMD	The Mining and Minerals Division of the New Mexico Energy, Minerals and Natural Resources Department
NMPRC	New Mexico Public Regulation Commission
NMRD	NM Renewable Development, LLC, owned 50% each by PNMR Development and AEP OnSite Partners, LLC
NO <sub>2</sub>	Nitrogen Dioxide
NOx	Nitrogen Oxide
NOPR	Notice of Proposed Rulemaking
NPDES	National Pollutant Discharge Elimination System
NRC	United States Nuclear Regulatory Commission
NSPS	New Source Performance Standards
NSR	New Source Review
NTEC	Navajo Transitional Energy Company, LLC, an entity owned by the Navajo Nation
OCI	Other Comprehensive Income
OPEB	Other Post-Employment Benefits
OSM	United States Office of Surface Mining Reclamation and Enforcement
PCRBs	Pollution Control Revenue Bonds
PNM	Public Service Company of New Mexico and Subsidiaries PNM’s \$175.0 Million Unsecured Term Loan

PNM 2016 Term Loan Agreement	
PNM 2017 New Mexico Credit Facility	PNM's \$40.0 Million Unsecured Revolving Credit Facility
PNM 2017 Senior Unsecured Note Agreement	PNM's Agreement for the sale of Senior Unsecured Notes, aggregating \$450.0 million
PNM 2017 Term Loan Agreement	PNM's \$200.0 Million Unsecured Term Loan



Table of Contents

PNM 2018 SUNs	PNM’s Senior Unsecured Notes to be issued under the PNM 2017 Senior Unsecured Note Agreement
PNM Revolving Credit Facility	PNM’s \$400.0 Million Unsecured Revolving Credit Facility
PNMR	PNM Resources, Inc. and Subsidiaries
PNMR 2015 Term Loan Agreement	PNMR’s \$150.0 Million Three-Year Unsecured Term Loan
PNMR 2016 One-Year Term Loan	PNMR’s \$100.0 Million One-Year Unsecured Term Loan
PNMR 2016 Two-Year Term Loan	PNMR’s \$100.0 Million Two-Year Unsecured Term Loan
PNMR 2018 SUNs	PNMR’s \$300.0 Million Aggregate Principal Amount of Senior Unsecured Notes due 2021
PNMR Development	PNMR Development and Management Company, an unregulated wholly-owned subsidiary of PNMR
PNMR Development Revolving Credit Facility	PNMR Development’s \$24.5 Million Unsecured Revolving Credit Facility
PNMR Revolving Credit Facility	PNMR’s \$300.0 Million Unsecured Revolving Credit Facility
PPA	Power Purchase Agreement
PSD	Prevention of Significant Deterioration
PUCT	Public Utility Commission of Texas
PV	Photovoltaic
PVNGS	Palo Verde Nuclear Generating Station
RCRA	Resource Conservation and Recovery Act
RCT	Reasonable Cost Threshold
REA	New Mexico’s Renewable Energy Act of 2004
REC	Renewable Energy Certificates
Red Mesa Wind	Red Mesa Wind Energy Center
REP	Retail Electricity Provider
RFP	Request For Proposal
Rio Bravo	Rio Bravo Generating Station
ROE	Return on Equity
RPS	Renewable Energy Portfolio Standard
S&P	Standard and Poor’s Ratings Services
SCR	Selective Catalytic Reduction
SEC	United States Securities and Exchange Commission
SIP	State Implementation Plan
SJCC	San Juan Coal Company
SJGS	San Juan Generating Station
SJGS CSA	San Juan Generating Station Coal Supply Agreement
SJGS RA	San Juan Project Restructuring Agreement
SJPPA	San Juan Project Participation Agreement
SNCR	Selective Non-Catalytic Reduction
SO <sub>2</sub>	Sulfur Dioxide
SO <sub>x</sub>	Sulfur Oxide
SPS	Southwestern Public Service Company
SRP	Salt River Project
SUNs	Senior Unsecured Notes
TECA	Texas Electric Choice Act
Tenth Circuit	United States Court of Appeals for the Tenth Circuit
TNMP	Texas-New Mexico Power Company and Subsidiaries
TNMP 2018 Rate Case	TNMP’s General Rate Case Application Filed on May 30, 2018



Table of Contents

TNMP Revolving Credit Facility	TNMP's \$75.0 Million Secured Revolving Credit Facility
TNP	TNP Enterprises, Inc. and Subsidiaries
Tri-State	Tri-State Generation and Transmission Association, Inc.
Tucson	Tucson Electric Power Company
UAMPS	Utah Associated Municipal Power Systems
US Supreme Court	United States Supreme Court
Valencia	Valencia Energy Facility
VaR	Value at Risk
VIE	Variable Interest Entity
WACC	Weighted Average Cost of Capital
WEG	WildEarth Guardians
Westmoreland	Westmoreland Coal Company
Westmoreland Loan	\$125.0 Million of funding provided by NM Capital to WSJ
WSJ	Westmoreland San Juan, LLC, an indirect wholly-owned subsidiary of Westmoreland

Table of Contents

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

PNM RESOURCES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	(In thousands, except per share amounts)			
Electric Operating Revenues:				
Contracts with customers	\$338,659	\$326,586	\$642,010	\$623,777
Alternative revenue programs	5,660	8,920	6,584	13,499
Other electric operating revenue	7,994	26,814	21,597	55,222
Total electric operating revenues	352,313	362,320	670,191	692,498
Operating Expenses:				
Cost of energy	87,711	104,267	180,267	207,070
Administrative and general	43,355	42,984	91,638	88,379
Energy production costs	41,888	34,393	77,238	66,180
Regulatory disallowances and restructuring costs	1,794	—	1,794	—
Depreciation and amortization	60,063	57,625	118,785	114,008
Transmission and distribution costs	18,450	17,031	35,406	33,508
Taxes other than income taxes	19,723	18,777	39,602	38,012
Total operating expenses	272,984	275,077	544,730	547,157
Operating income	79,329	87,243	125,461	145,341
Other Income and Deductions:				
Interest income	4,339	3,885	8,462	8,766
Gains (losses) on investment securities	(1,670)	5,663	(1,382)	12,324
Other income	4,796	3,450	8,265	8,351
Other (deductions)	(5,868)	(5,042)	(7,243)	(10,663)
Net other income and deductions	1,597	7,956	8,102	18,778
Interest Charges	33,321	32,332	66,376	64,031
Earnings before Income Taxes	47,605	62,867	67,187	100,088
Income Taxes	5,156	21,636	5,939	32,411
Net Earnings	42,449	41,231	61,248	67,677
(Earnings) Attributable to Valencia Non-controlling Interest	(4,109)	(3,544)	(7,786)	(6,996)
Preferred Stock Dividend Requirements of Subsidiary	(132)	(132)	(264)	(264)
Net Earnings Attributable to PNMR	\$38,208	\$37,555	\$53,198	\$60,417
Net Earnings Attributable to PNMR per Common Share:				
Basic	\$0.48	\$0.47	\$0.67	\$0.76
Diluted	\$0.48	\$0.47	\$0.67	\$0.75
Dividends Declared per Common Share	\$0.2650	\$0.2425	\$0.5300	\$0.4850

The accompanying notes, as they relate to PNMR, are an integral part of these condensed consolidated financial statements.



Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)			
Net Earnings	\$42,449	\$41,231	\$61,248	\$67,677
Other Comprehensive Income:				
Unrealized Gains on Available-for-Sale Securities:				
Unrealized holding gains arising during the period, net of income tax (expense) of \$(91), \$(2,777), \$(374), and \$(5,783)	266	4,378	1,098	9,120
Reclassification adjustment for (gains) included in net earnings, net of income tax expense of \$126, \$1,629, \$794, and \$2,701	(371 )	(2,569 )	(2,332 )	(4,260 )
Pension Liability Adjustment:				
Reclassification adjustment for amortization of experience (gains) losses recognized as net periodic benefit cost, net of income tax expense (benefit) of 1,415 \$(482), \$(626), \$(962), and \$(1,252)	987	2,826	1,974	
Fair Value Adjustment for Cash Flow Hedges:				
Change in fair market value, net of income tax (expense) benefit of \$(143), \$40, \$(615), and \$112	419	(63 )	1,805	(176 )
Reclassification adjustment for (gains) losses included in net earnings, net of income tax expense (benefit) of \$(12), \$(82), \$1, and \$(125)	34	130	(6 )	198
Total Other Comprehensive Income	1,763	2,863	3,391	6,856
Comprehensive Income	44,212	44,094	64,639	74,533
Comprehensive (Income) Attributable to Valencia Non-controlling Interest	(4,109 )	(3,544 )	(7,786 )	(6,996 )
Preferred Stock Dividend Requirements of Subsidiary	(132 )	(132 )	(264 )	(264 )
Comprehensive Income Attributable to PNMR	\$39,971	\$40,418	\$56,589	\$67,273

The accompanying notes, as they relate to PNMR, are an integral part of these condensed consolidated financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (Unaudited)

	Six Months Ended June 30,	
	2018	2017
	(In thousands)	
Cash Flows From Operating Activities:		
Net earnings	\$61,248	\$67,677
Adjustments to reconcile net earnings to net cash flows from operating activities:		
Depreciation and amortization	137,020	131,861
Deferred income tax expense	5,888	32,443
Net unrealized (gains) losses on commodity derivatives	(56 )	939
(Gains) losses on investment securities	1,382	(12,324 )
Stock based compensation expense	3,325	4,561
Regulatory disallowances and restructuring costs	1,794	—
Allowance for equity funds used during construction	(4,641 )	(3,465 )
Other, net	1,595	1,056
Changes in certain assets and liabilities:		
Accounts receivable and unbilled revenues	(17,130 )	(12,204 )
Materials, supplies, and fuel stock	(8,282 )	969
Other current assets	(16,130 )	1,613
Other assets	2,603	3,186
Accounts payable	(21,229 )	(2,052 )
Accrued interest and taxes	(4,865 )	(6,802 )
Other current liabilities	(1,516 )	(2,498 )
Other liabilities	(7,106 )	(4,341 )
Net cash flows from operating activities	133,900	200,619
Cash Flows From Investing Activities:		
Additions to utility and non-utility plant	(245,587)	(230,882)
Proceeds from sales of investment securities	794,088	358,045
Purchases of investment securities	(797,271)	(359,853)
Principal repayments on Westmoreland Loan	56,640	19,180
Investments in NMRD	(8,000 )	—
Other, net	(120 )	143
Net cash flows from investing activities	(200,250)	(213,367)

The accompanying notes, as they relate to PNMR, are an integral part of these condensed consolidated financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (Unaudited)

	Six Months Ended June 30,	
	2018	2017
	(In thousands)	
Cash Flows From Financing Activities:		
Revolving credit facilities borrowings (repayments), net	(22,800 )	86,400
Long-term borrowings	709,652	57,000
Repayment of long-term debt	(550,137)	(77,447 )
Proceeds from stock option exercise	924	1,574
Awards of common stock	(12,268 )	(13,166 )
Dividends paid	(42,480 )	(38,896 )
Valencia's transactions with its owner	(8,381 )	(7,731 )
Amounts received under transmission interconnection arrangements	—	11,419
Refunds paid under transmission interconnection arrangements	(1,661 )	(8,783 )
Debt issuance costs and other, net	(5,584 )	(951 )
Net cash flows from financing activities	67,265	9,419
Change in Cash, Restricted Cash, and Equivalents	915	(3,329 )
Cash, Restricted Cash, and Equivalents at Beginning of Period	3,974	5,522
Cash, Restricted Cash, and Equivalents at End of Period	\$4,889	\$2,193
Restricted Cash Included in Other Current Assets on Condensed Consolidated Balance Sheets:		
At beginning of period	\$—	\$1,000
At end of period	\$—	\$—
Supplemental Cash Flow Disclosures:		
Interest paid, net of amounts capitalized	\$59,626	\$59,982
Income taxes paid (refunded), net	\$842	\$625
Supplemental schedule of noncash investing activities:		
(Increase) decrease in accrued plant additions	\$17,303	\$1,279

The accompanying notes, as they relate to PNMR, are an integral part of these condensed consolidated financial statements.



Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited)

	June 30, 2018	December 31, 2017
	(In thousands)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$4,889	\$ 3,974
Accounts receivable, net of allowance for uncollectible accounts of \$1,189 and \$1,081	89,158	90,473
Unbilled revenues	70,904	54,055
Other receivables	24,338	17,582
Current portion of Westmoreland Loan	—	3,576
Materials, supplies, and fuel stock	74,785	66,502
Regulatory assets	6,586	2,933
Commodity derivative instruments	1,094	1,088
Income taxes receivable	7,670	6,879
Other current assets	51,818	47,358
Total current assets	331,242	294,420
Other Property and Investments:		
Long-term portion of Westmoreland Loan	—	53,064
Investment securities	323,105	323,524
Equity investment in NMRD	24,761	16,510
Other investments	373	503
Non-utility property	3,404	3,404
Total other property and investments	351,643	397,005
Utility Plant:		
Plant in service and held for future use	7,438,356	7,238,285
Less accumulated depreciation and amortization	2,648,684	2,592,692
	4,789,672	4,645,593
Construction work in progress	220,065	245,933
Nuclear fuel, net of accumulated amortization of \$43,309 and \$43,524	90,962	88,701
Net utility plant	5,100,699	4,980,227
Deferred Charges and Other Assets:		
Regulatory assets	588,971	600,672
Goodwill	278,297	278,297
Commodity derivative instruments	3,014	3,556
Other deferred charges	96,223	91,926
Total deferred charges and other assets	966,505	974,451
	\$6,750,089	\$ 6,646,103

The accompanying notes, as they relate to PNMR, are an integral part of these condensed consolidated financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited)

	June 30, 2018	December 31, 2017
	(In thousands, except share information)	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Short-term debt	\$282,600	\$ 305,400
Current installments of long-term debt	471,690	256,895
Accounts payable	82,851	121,383
Customer deposits	10,919	11,028
Accrued interest and taxes	58,283	62,357
Regulatory liabilities	—	2,309
Commodity derivative instruments	1,416	1,182
Dividends declared	132	21,240
Other current liabilities	54,259	53,850
Total current liabilities	962,150	835,644
Long-term Debt, net of Unamortized Premiums, Discounts, and Debt Issuance Costs	2,122,352	2,180,750
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	566,084	547,210
Regulatory liabilities	928,706	933,578
Asset retirement obligations	152,300	146,679
Accrued pension liability and postretirement benefit cost	84,934	94,003
Commodity derivative instruments	3,014	3,556
Other deferred credits	130,705	131,706
Total deferred credits and other liabilities	1,865,743	1,856,732
Total liabilities	4,950,245	4,873,126
Commitments and Contingencies (Note 11)		
Cumulative Preferred Stock of Subsidiary without mandatory redemption requirements (\$100 stated value; 10,000,000 shares authorized; issued and outstanding 115,293 shares)	11,529	11,529
Equity:		
PNMR common stockholders' equity:		
Common stock (no par value; 120,000,000 shares authorized; issued and outstanding 79,653,624 shares)	1,149,646	1,157,665
Accumulated other comprehensive income (loss), net of income taxes	(103,757 )	(95,940 )
Retained earnings	676,826	633,528
Total PNMR common stockholders' equity	1,722,715	1,695,253
Non-controlling interest in Valencia	65,600	66,195
Total equity	1,788,315	1,761,448
	\$6,750,089	\$ 6,646,103

The accompanying notes, as they relate to PNMR, are an integral part of these condensed consolidated financial statements.



Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 (Unaudited)

	Attributable to PNMR			Total PNMR Common Stockholders' Equity	Non- controlling Interest in Valencia	Total Equity
	Common Stock	AOCI	Retained Earnings			
	(In thousands)					
Balance at December 31, 2017, as originally reported	\$1,157,665	\$(95,940 )	\$633,528	\$1,695,253	\$66,195	\$1,761,448
Cumulative effect adjustment (Note 7)	—	(11,208 )	11,208	—	—	—
Balance at January 1, 2018, as adjusted	1,157,665	(107,148 )	644,736	1,695,253	66,195	1,761,448
Net earnings before subsidiary preferred stock dividends	—	—	53,462	53,462	7,786	61,248
Total other comprehensive income	—	3,391	—	3,391	—	3,391
Subsidiary preferred stock dividends	—	—	(264 )	(264 )	—	(264 )
Dividends declared on common stock	—	—	(21,108 )	(21,108 )	—	(21,108 )
Proceeds from stock option exercise	924	—	—	924	—	924
Awards of common stock	(12,268 )	—	—	(12,268 )	—	(12,268 )
Stock based compensation expense	3,325	—	—	3,325	—	3,325
Valencia's transactions with its owner	—	—	—	—	(8,381 )	(8,381 )
Balance at June 30, 2018	\$1,149,646	\$(103,757)	\$676,826	\$1,722,715	\$65,600	\$1,788,315

The accompanying notes, as they relate to PNMR, are an integral part of these condensed consolidated financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	(In thousands)			
Electric Operating Revenues:				
Contracts with customers	\$254,728	\$246,402	\$477,291	\$468,465
Alternative revenue programs	1,789	2,881	1,854	3,968
Other electric operating revenue	7,994	26,814	21,597	55,222
Total electric operating revenues	264,511	276,097	500,742	527,655
Operating Expenses:				
Cost of energy	66,361	82,952	137,163	164,268
Administrative and general	40,922	39,798	84,648	80,708
Energy production costs	41,888	34,393	77,238	66,180
Regulatory disallowances and restructuring costs	1,794	—	1,794	—
Depreciation and amortization	38,213	36,448	74,840	72,464
Transmission and distribution costs	10,993	10,175	20,820	20,094
Taxes other than income taxes	11,461	11,029	23,069	22,169
Total operating expenses	211,632	214,795	419,572	425,883
Operating income	52,879	61,302	81,170	101,772
Other Income and Deductions:				
Interest income	3,381	1,858	5,868	4,675
Gains (losses) on investment securities	(1,670)	) 5,663	(1,382)	) 12,324
Other income	2,292	2,665	4,684	6,508
Other (deductions)	(3,768)	) (4,566)	) (5,229)	) (9,526)
Net other income and deductions	235	5,620	3,941	13,981
Interest Charges	19,988	20,931	40,818	41,943
Earnings before Income Taxes	33,126	45,991	44,293	73,810
Income Taxes	2,345	15,515	1,997	23,223
Net Earnings	30,781	30,476	42,296	50,587
(Earnings) Attributable to Valencia Non-controlling Interest	(4,109)	) (3,544)	) (7,786)	) (6,996)
Net Earnings Attributable to PNM	26,672	26,932	34,510	43,591
Preferred Stock Dividends Requirements	(132)	) (132)	) (264)	) (264)
Net Earnings Available for PNM Common Stock	\$26,540	\$26,800	\$34,246	\$43,327

The accompanying notes, as they relate to PNM, are an integral part of these condensed consolidated financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)			
Net Earnings	\$30,781	\$30,476	\$42,296	\$50,587
Other Comprehensive Income:				
Unrealized Gains on Available-for-Sale Securities:				
Unrealized holding gains arising during the period, net of income tax (expense) of \$(91), \$(2,777), \$(374), and \$(5,783)	266	4,378	1,098	9,120
Reclassification adjustment for (gains) included in net earnings, net of income tax expense of \$126, \$1,629, \$794, and \$2,701	(371 )	(2,569 )	(2,332 )	(4,260 )
Pension Liability Adjustment:				
Reclassification adjustment for amortization of experience (gains) losses recognized as net periodic benefit cost, net of income tax expense (benefit) of 1,415 \$(482), \$(626), \$(962), and \$(1,252)	1,415	987	2,826	1,974
Total Other Comprehensive Income	1,310	2,796	1,592	6,834
Comprehensive Income	32,091	33,272	43,888	57,421
Comprehensive (Income) Attributable to Valencia Non-controlling Interest	(4,109 )	(3,544 )	(7,786 )	(6,996 )
Comprehensive Income Attributable to PNM	\$27,982	\$29,728	\$36,102	\$50,425

The accompanying notes, as they relate to PNM, are an integral part of these condensed consolidated financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Six Months Ended June 30, 2018 (In thousands)	2017
Cash Flows From Operating Activities:		
Net earnings	\$ 42,296	\$ 50,587
Adjustments to reconcile net earnings to net cash flows from operating activities:		
Depreciation and amortization	90,713	88,864
Deferred income tax expense	2,342	23,685
Net unrealized (gains) losses on commodity derivatives	(56 )	939
(Gains) losses on investment securities	1,382	(12,324 )
Regulatory disallowances and restructuring costs	1,794	—
Allowance for equity funds used during construction	(3,879 )	(3,331 )
Other, net	1,595	1,053
Changes in certain assets and liabilities:		
Accounts receivable and unbilled revenues	(12,057 )	(8,846 )
Materials, supplies, and fuel stock	(7,071 )	1,591
Other current assets	(17,995 )	4,623
Other assets	8,296	8,539
Accounts payable	(13,050 )	(754 )
Accrued interest and taxes	(988 )	(1,520 )
Other current liabilities	(11,364 )	9,220
Other liabilities	(10,300 )	(6,949 )
Net cash flows from operating activities	71,658	155,377

Cash Flows From			
Investing Activities:			
Utility plant additions	(120,287	)	(125,698
Proceeds from sales of investment securities	794,088		358,045
Purchases of investment securities	(797,271	)	(359,853
Other, net	131		143
Net cash flows from investing activities	(123,339	)	(127,363

The accompanying notes, as they relate to PNM, are an integral part of these condensed consolidated financial statements.



Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Six Months Ended June 30,	
	2018	2017
	(In thousands)	
Cash Flows From Financing Activities:		
Revolving credit facilities borrowings (repayments), net	(6,200 )	(23,000 )
Short-term borrowings (repayments) - affiliate, net	4,900	—
Long-term borrowings	350,000	57,000
Repayment of long-term debt	(350,000)	(57,000 )
Dividends paid	(264 )	(264 )
Valencia's transactions with its owner	(8,381 )	(7,731 )
Amounts received under transmission interconnection arrangements	68,200	11,419
Refunds paid under transmission interconnection arrangements	(1,661 )	(8,783 )
Debt issuance costs and other, net	(3,147 )	(953 )
Net cash flows from financing activities	53,447	(29,312 )
Change in Cash, Restricted Cash, and Equivalents	1,766	(1,298 )
Cash, Restricted Cash, and Equivalents at Beginning of Period	1,108	1,324
Cash, Restricted Cash, and Equivalents at End of Period	\$2,874	\$26
Restricted Cash Included in Other Current Assets on Condensed Consolidated Balance Sheets:		
At beginning of period	\$—	\$1,000
At end of period	\$—	\$—
Supplemental Cash Flow Disclosures:		
Interest paid, net of amounts capitalized	\$39,881	\$39,584
Income taxes paid (refunded), net	\$—	\$—
Supplemental schedule of noncash investing activities:		
(Increase) decrease in accrued plant additions	\$(841 )	\$(5,392 )

The accompanying notes, as they relate to PNM, are an integral part of these condensed consolidated financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2018	December 31, 2017
	(In thousands)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$2,874	\$ 1,108
Accounts receivable, net of allowance for uncollectible accounts of \$1,189 and \$1,081	62,677	67,227
Unbilled revenues	58,880	43,869
Other receivables	22,680	14,541
Affiliate receivables	9,037	9,486
Materials, supplies, and fuel stock	67,930	60,859
Regulatory assets	5,815	2,139
Commodity derivative instruments	1,094	1,088
Income taxes receivable	3,754	3,410
Other current assets	46,369	39,904
Total current assets	281,110	243,631
Other Property and Investments:		
Investment securities	323,105	323,524
Other investments	153	283
Non-utility property	96	96
Total other property and investments	323,354	323,903
Utility Plant:		
Plant in service and held for future use	5,672,141	5,501,070
Less accumulated depreciation and amortization	2,064,741	2,029,534
	3,607,400	3,471,536
Construction work in progress	114,535	204,079
Nuclear fuel, net of accumulated amortization of \$43,309 and \$43,524	90,962	88,701
Net utility plant	3,812,897	3,764,316
Deferred Charges and Other Assets:		
Regulatory assets	447,691	459,239
Goodwill	51,632	51,632
Commodity derivative instruments	3,014	3,556
Other deferred charges	74,579	75,286
Total deferred charges and other assets	576,916	589,713
	\$4,994,277	\$ 4,921,563

The accompanying notes, as they relate to PNM, are an integral part of these condensed consolidated financial statements.

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2018	December 31, 2017
	(In thousands, except share information)	
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt	\$ 33,600	\$ 39,800
Short-term debt - affiliate	4,900	—
Current installments of long-term debt	200,012	23
Accounts payable	64,885	77,094
Affiliate payables	8,186	22,875
Customer deposits	10,919	11,028
Accrued interest and taxes	33,301	33,945
Regulatory liabilities	—	784
Commodity derivative instruments	1,416	1,182
Dividends declared	132	132
Other current liabilities	34,910	31,633
Total current liabilities	392,261	218,496
Long-term Debt, net of Unamortized Premiums, Discounts, and Debt Issuance Costs	1,455,748	1,657,887
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes	463,895	449,012
Regulatory liabilities	742,574	754,441
Asset retirement obligations	151,289	145,707
Accrued pension liability and postretirement benefit cost	78,184	86,124
Commodity derivative instruments	3,014	3,556
Other deferred credits	172,171	106,442
Total deferred credits and liabilities	1,611,127	1,545,282
Total liabilities	3,459,136	3,421,665
<b>Commitments and Contingencies (Note 11)</b>		
<b>Cumulative Preferred Stock</b>		
without mandatory redemption requirements (\$100 stated value; 10,000,000 shares authorized; issued and outstanding 115,293 shares)	11,529	11,529
<b>Equity:</b>		
<b>PNM common stockholder's equity:</b>		
Common stock (no par value; 40,000,000 shares authorized; issued and outstanding 39,117,799 shares)	1,264,918	1,264,918
Accumulated other comprehensive income (loss), net of income taxes	(106,709 )	(97,093 )
Retained earnings	299,803	254,349
Total PNM common stockholder's equity	1,458,012	1,422,174
Non-controlling interest in Valencia	65,600	66,195
Total equity	1,523,612	1,488,369
	\$4,994,277	\$4,921,563

The accompanying notes, as they relate to PNM, are an integral part of these condensed consolidated financial statements.

20

---

Table of Contents

PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(Unaudited)

	Attributable to PNM			Total PNM Common Stockholder's Equity	Non- controlling Interest in Valencia	Total Equity
	Common Stock (In thousands)	AOCI	Retained Earnings			
Balance at December 31, 2017, as originally reported	\$1,264,918	\$(97,093 )	\$254,349	\$1,422,174	\$ 66,195	\$1,488,369
Cumulative effect adjustment (Note 7)	—	(11,208 )	11,208	—	—	—
Balance at January 1, 2018, as adjusted	1,264,918	(108,301 )	265,557	1,422,174	66,195	1,488,369
Net earnings	—	—	34,510	34,510	7,786	42,296
Total other comprehensive income	—	1,592	—	1,592	—	1,592
Dividends declared on preferred stock	—	—	(264 )	(264 )	—	(264 )
Valencia's transactions with its owner	—	—	—	—	(8,381 )	(8,381 )
Balance at June 30, 2018	\$1,264,918	\$(106,709)	\$299,803	\$1,458,012	\$ 65,600	\$1,523,612

The accompanying notes, as they relate to PNM, are an integral part of these condensed consolidated financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)			
Electric Operating Revenues:				
Contracts with customers	\$83,931	\$80,184	\$164,719	\$155,312
Alternative revenue programs	3,871	6,039	4,730	9,531
Total Electric Operating Revenues	87,802	86,223	169,449	164,843
Operating Expenses:				
Cost of energy	21,350	21,315	43,104	42,802
Administrative and general	8,852	9,235	19,561	19,638
Depreciation and amortization	16,113	15,597	32,500	30,968
Transmission and distribution costs	7,457	6,856	14,586	13,414
Taxes other than income taxes	7,201	6,934	14,337	13,770
Total operating expenses	60,973	59,937	124,088	120,592
Operating income	26,829	26,286	45,361	44,251
Other Income and Deductions:				
Other income	2,223	541	2,976	1,363
Other (deductions)	(1,391 )	(109 )	(1,060 )	(198 )
Net other income and deductions	832	432	1,916	1,165
Interest Charges	7,801	7,510	15,530	14,915
Earnings before Income Taxes	19,860	19,208	31,747	30,501
Income Taxes	4,493	7,004	6,968	10,693
Net Earnings	\$15,367	\$12,204	\$24,779	\$19,808

The accompanying notes, as they relate to TNMP, are an integral part of these condensed consolidated financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Six Months Ended June 30,	
	2018	2017
	(In thousands)	
<b>Cash Flows From Operating Activities:</b>		
Net earnings	\$24,779	\$19,808
Adjustments to reconcile net earnings to net cash flows from operating activities:		
Depreciation and amortization	33,390	31,877
Deferred income tax expense (benefit)	(900 )	4,894
Allowance for equity funds used during construction and other, net	(762 )	(130 )
Changes in certain assets and liabilities:		
Accounts receivable and unbilled revenues	(5,073 )	(3,358 )
Materials and supplies	(1,211 )	(622 )
Other current assets	(378 )	(3,897 )
Other assets	(5,603 )	(5,747 )
Accounts payable	(4,161 )	138
Accrued interest and taxes	1,610	(308 )
Other current liabilities	5,410	1,957
Other liabilities	3,874	717
Net cash flows from operating activities	50,975	45,329
<b>Cash Flows From Investing Activities:</b>		
Utility plant additions	(115,361)	(78,940 )
Net cash flows from investing activities	(115,361)	(78,940 )
<b>Cash Flow From Financing Activities:</b>		
Revolving credit facilities borrowings (repayments), net	13,500	47,000
Short-term borrowings (repayments) – affiliate, net	100	3,400
Long-term borrowings	60,000	—
Dividends paid	(10,436 )	(17,459 )
Debt issuance costs and other, net	(478 )	—
Net cash flows from financing activities	62,686	32,941
Change in Cash and Cash Equivalents	(1,700 )	(670 )
Cash and Cash Equivalents at Beginning of Period	1,700	671
Cash and Cash Equivalents at End of Period	\$—	\$1
<b>Supplemental Cash Flow Disclosures:</b>		
Interest paid, net of amounts capitalized	\$13,085	\$13,999
Income taxes paid (refunded), net	\$842	\$750
<b>Supplemental schedule of noncash investing activities:</b>		
(Increase) decrease in accrued plant additions	\$14,886	\$1,700

The accompanying notes, as they relate to TNMP, are an integral part of these condensed consolidated financial statements.





Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
 A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited)

	June 30, 2018	December 31, 2017
	(In thousands)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$—	\$ 1,700
Accounts receivable	26,481	23,246
Unbilled revenues	12,024	10,186
Other receivables	2,639	2,860
Affiliate receivables	—	336
Materials and supplies	6,855	5,643
Regulatory assets	771	794
Other current assets	1,752	1,131
Total current assets	50,522	45,896
Other Property and Investments:		
Other investments	220	220
Non-utility property	2,240	2,240
Total other property and investments	2,460	2,460
Utility Plant:		
Plant in service and plant held for future use	1,531,459	1,504,778
Less accumulated depreciation and amortization	470,741	460,858
	1,060,718	1,043,920
Construction work in progress	94,810	34,350
Net utility plant	1,155,528	1,078,270
Deferred Charges and Other Assets:		
Regulatory assets	141,280	141,433
Goodwill	226,665	226,665
Other deferred charges	6,856	6,046
Total deferred charges and other assets	374,801	374,144
	\$ 1,583,311	\$ 1,500,770

The accompanying notes, as they relate to TNMP, are an integral part of these condensed consolidated financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2018	December 31, 2017
	(In thousands, except share information)	
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current Liabilities:		
Short-term debt	\$ 13,500	\$ —
Short-term debt – affiliate	100	—
Current installments of long-term debt	171,683	—
Accounts payable	10,766	29,812
Affiliate payables	6,112	667
Accrued interest and taxes	31,229	29,619
Regulatory liabilities	—	1,525
Other current liabilities	3,604	2,450
Total current liabilities	236,994	64,073
Long-term Debt, net of Unamortized Premiums, Discounts, and Debt Issuance Costs	368,644	480,620
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	125,623	126,415
Regulatory liabilities	186,132	179,137
Asset retirement obligations	826	793
Accrued pension liability and postretirement benefit cost	6,750	7,879
Other deferred credits	9,594	7,448
Total deferred credits and other liabilities	328,925	321,672
Total liabilities	934,563	866,365
Commitments and Contingencies (Note 11)		
Common Stockholder's Equity:		
Common stock (\$10 par value; 12,000,000 shares authorized; issued and outstanding 6,358 shares)	64	64
Paid-in-capital	504,166	504,166
Retained earnings	144,518	130,175
Total common stockholder's equity	648,748	634,405
	\$ 1,583,311	\$ 1,500,770

The accompanying notes, as they relate to TNMP, are an integral part of these condensed consolidated financial statements.

Table of Contents

TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
 A WHOLLY-OWNED SUBSIDIARY OF PNM RESOURCES, INC.  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN COMMON STOCKHOLDER'S EQUITY  
 (Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings	Total Common Stockholder's Equity
	(In thousands)			
Balance at December 31, 2017	\$64	\$504,166	\$130,175	\$634,405
Net earnings	—	—	24,779	24,779
Dividends declared on common stock	—	—	(10,436 )	(10,436 )
Balance at June 30, 2018	\$64	\$504,166	\$144,518	\$648,748

The accompanying notes, as they relate to TNMP, are an integral part of these condensed consolidated financial statements.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

(1) Significant Accounting Policies and Responsibility for Financial Statements

Financial Statement Preparation

In the opinion of management, the accompanying unaudited interim Condensed Consolidated Financial Statements reflect all normal and recurring accruals and adjustments that are necessary to present fairly the consolidated financial position at June 30, 2018 and December 31, 2017, the consolidated results of operations and comprehensive income for the three and six months ended June 30, 2018 and 2017, and cash flows for the six months ended June 30, 2018 and 2017. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could ultimately differ from those estimated. Weather causes the Company's results of operations to be seasonal in nature and the results of operations presented in the accompanying Condensed Consolidated Financial Statements are not necessarily representative of operations for an entire year.

The Notes to Condensed Consolidated Financial Statements include disclosures for PNMR, PNM, and TNMP. This report uses the term "Company" when discussing matters of common applicability to PNMR, PNM, and TNMP. Discussions regarding only PNMR, PNM, or TNMP are so indicated. Certain amounts in the 2017 Condensed Consolidated Financial Statements and Notes thereto have been reclassified to conform to the 2018 financial statement presentation.

These Condensed Consolidated Financial Statements are unaudited. Certain information and note disclosures normally included in the annual audited Consolidated Financial Statements have been condensed or omitted, as permitted under the applicable rules and regulations. Readers of these financial statements should refer to PNMR's, PNM's, and TNMP's audited Consolidated Financial Statements and Notes thereto that are included in their respective 2017 Annual Reports on Form 10-K.

GAAP defines subsequent events as events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. Based on their nature, magnitude, and timing, certain subsequent events may be required to be reflected at the balance sheet date and/or required to be disclosed in the financial statements. The Company has evaluated subsequent events as required by GAAP.

Principles of Consolidation

The Condensed Consolidated Financial Statements of each of PNMR, PNM, and TNMP include their accounts and those of subsidiaries in which that entity owns a majority voting interest. PNM also consolidates Valencia (Note 6). PNM owns undivided interests in several jointly-owned power plants and records its pro-rata share of the assets, liabilities, and expenses for those plants. The agreements for the jointly-owned plants provide that if an owner were to default on its payment obligations, the non-defaulting owners would be responsible for their proportionate share of the obligations of the defaulting owner. In exchange, the non-defaulting owners would be entitled to their proportionate share of the generating capacity of the defaulting owner. There have been no such payment defaults under any of the agreements for the jointly-owned plants.

PNMR shared services' expenses, which represent costs that are primarily driven by corporate level activities, are charged to the business segments. These services are billed at cost and are reflected as general and administrative expenses in the business segments. Other significant intercompany transactions between PNMR, PNM, and TNMP include interest and income tax sharing payments, equity transactions, and interconnection billings (Note 15). All intercompany transactions and balances have been eliminated.

#### Dividends on Common Stock

Dividends on PNMR's common stock are declared by the Board. The timing of the declaration of dividends is dependent on the timing of meetings and other actions of the Board. This has historically resulted in dividends considered being attributable to the second quarter of each year being declared through actions of the Board during the third quarter of the year. The Board declared dividends on common stock considered to be for the second quarter of \$0.2650 per share in July 2018 and \$0.2425 in

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

July 2017, which are reflected as being in the second quarter within “Dividends Declared per Common Share” on the PNMR Condensed Consolidated Statements of Earnings.

TNMP declared and paid cash dividends on common stock to PNMR of \$10.4 million and \$17.5 million in the six months ended June 30, 2018 and 2017. In July 2018, TNMP declared and paid a cash dividend to PNMR of \$15.4 million.

Investment in NM Renewable Development, LLC

As discussed in Note 1 of the 2017 Annual Reports on Form 10-K, PNMR Development and AEP OnSite Partners created NMRD in September 2017 to pursue the acquisition, development, and ownership of renewable energy projects, primarily in the state of New Mexico. NMRD’s current renewable energy capacity in operation is 31.8 MW. PNMR Development and AEP OnSite Partners each have a 50% ownership interest in NMRD. The investment in NMRD is accounted for using the equity method of accounting because PNMR’s ownership interest results in significant influence, but not control, over NMRD and its operations.

In the six months ended June 30, 2018, PNMR Development made cash contributions of \$8.0 million to NMRD to be used primarily for its construction activities. For the three and six months ended June 30, 2018, NMRD had revenues of \$1.1 million and \$1.5 million and net earnings of \$0.4 million and \$0.5 million. At June 30, 2018, NMRD had \$2.0 million of current assets, \$47.9 million of property, plant, and equipment and other assets, \$0.4 million of current liabilities, and \$49.5 million of owners’ equity.

Cash and Restricted Cash

Additional information concerning the Company’s policy for recording cash and cash equivalents is discussed in Note 1 of the 2017 Annual Reports on Form 10-K. In November 2016, the FASB issued Accounting Standards Update 2016-18 – Statement of Cash Flows (Topic 230), which requires amounts generally described as restricted cash and restricted cash equivalents (collectively, “restricted cash”) to be included with cash and cash equivalents when reconciling the beginning of period and end of period amounts shown on the statements of cash flows and adds disclosures necessary to reconcile such amounts to cash and cash equivalents on the balance sheets. ASU 2016-18 does not require that restricted cash be reflected as cash in the statement of financial position and does not provide a definition of what should be considered restricted cash.

During 2015, PNM received a deposit of \$8.2 million from a third party that was restricted for PNM’s construction of transmission interconnection facilities for that party. During 2016, PNM utilized \$7.2 million of such third-party deposits to offset construction costs for the interconnection facilities. The remaining \$1.0 million was held as restricted cash until the second quarter of 2017, at which time a refund was made to the third party. The balances of this deposit arrangement were included in other current assets on the balance sheets of PNMR and PNM. Under the terms of the BTMU Term Loan Agreement (Note 9), all cash of NM Capital was restricted to be used for payments required under that agreement or for taxes and fees. On May 22, 2018, Westmoreland repaid the Westmoreland Loan in full. NM Capital used a portion of the proceeds to repay all its obligations under the BTMU Term Loan Agreement. These payments effectively terminated the loan agreements. Cash held by NM Capital was included in cash and cash

equivalents on the balance sheets of PNMR and was less than \$0.1 million at December 31, 2017.

The Company adopted ASU 2016-18 as of January 1, 2018, its required effective date. Upon adoption, ASU 2016-18 requires the use of a retrospective transition method for the statement of cash flows in each period presented. Accordingly, PNM made retrospective adjustments to its Condensed Consolidated Statements of Cash Flows to increase beginning cash, restricted cash, and equivalents at January 1, 2017 by \$1.0 million and to reduce operating cash in-flows – other current assets by \$1.0 million during the six months ending June 30, 2017. In addition, the beginning and ending balances of cash, restricted cash, and equivalents are presented on the Condensed Consolidated Statements of Cash Flows. No other changes were made to the Condensed Consolidated Financial Statements in connection with the adoption of ASU 2016-18.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

New Accounting Pronouncements

Information concerning recently issued accounting pronouncements that have not been adopted by the Company is presented below. The Company does not expect difficulty in adopting these standards by their required effective dates.

Accounting Standards Update 2016-02 – Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02 to provide guidance on the recognition, measurement, presentation, and disclosure of leases. ASU 2016-02 will require that a liability be recorded on the balance sheet for all leases, based on the present value of future lease obligations. A corresponding right-of-use asset will also be recorded. Amortization of the lease obligation and the right-of-use asset for certain leases, primarily those classified as operating leases, will be on a straight-line basis, which is not expected to have a significant impact on the statements of earnings, whereas other leases will be required to be accounted for as financing arrangements similar to the accounting treatment for capital leases under current GAAP. ASU 2016-02 also revises certain disclosure requirements. ASU 2016-02 originally required that leases be recognized and measured as of the earliest period presented using a modified retrospective approach with all periods presented being restated and presented under the new guidance. The ASU allows entities to apply certain practical expedients to arrangements that exist upon adoption or that expired during the periods presented.

As further discussed in Note 7 of the Notes to Consolidated Financial Statements in the 2017 Annual Reports on Form 10-K, the Company has operating leases of office buildings, vehicles, and equipment. PNM also has operating lease interests in PVNGS Units 1 and 2 that will expire in January 2023 and 2024. In addition, the Company also routinely enters into land easements and right-of-way agreements.

The Company, along with others in the utility industry, is continuing to monitor the activities of the FASB and other non-authoritative groups regarding industry specific issues for further clarification. The Company has formed a project team, is conducting outreach activities across its lines of business, and is in the process of implementing software to help administer and account for its leasing activities. The Company has made significant progress in identifying arrangements that may be classified as leases under ASU 2016-02 in addition to those currently classified as operating leases. It is likely the arrangements currently classified as leases will continue to be recognized as leases under ASU 2016-02. It is possible that other contractual arrangements not previously meeting the lease definition may contain elements that qualify as leases and that previously identified operating leases may be classified as financing leases under ASU 2016-02. The Company is in the process of analyzing each of the identified contractual arrangements to determine if it contains lease elements under the new standard and quantifying the potential impacts of identified lease arrangements. The Company is also evaluating the practical expedients, if any, it will elect upon adoption. The Company anticipates this process will continue throughout 2018. The Company will adopt this standard effective as of January 1, 2019, its required effective date.

In January 2018, the FASB issued ASU 2018-01, which clarifies that land easements are to be evaluated under ASU 2016-02, but provides an additional optional practical expedient to not evaluate existing or expired land easements that were not accounted for as leases under the current guidance. The Company has numerous land easements and right-of-way agreements that would fall under this clarification. The only such agreement that has been accounted for



as a lease under current guidance is the right-of-way agreement with the Navajo Nation, which is discussed in Note 7 of the Notes to Consolidated Financial Statements in the 2017 Annual Reports on Form 10-K. The Company anticipates it will elect to use the practical expedient for its existing and expired land easements upon adoption of ASU 2016-02.

In July 2018, the FASB issued ASU 2018-11, which provides entities an optional transitional relief method to apply ASU 2016-02 as of the date of initial application of the standard rather than as of the earliest period presented. The Company is evaluating this update and has not yet determined if it will elect to use this optional transitional relief method.

Accounting Standards Update 2016-13 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, which changes the way entities recognize impairment of many financial assets, including accounts receivable and investments in certain debt securities, by requiring immediate recognition of estimated credit losses expected to occur over the remaining lives of the assets. The Company anticipates adopting ASU 2016-13 effective as of January 1, 2020, its required effective date, although early adoption is permitted beginning on January 1, 2019. The Company

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

is in the process of analyzing the impacts of this new standard, but does not anticipate it will have a significant impact on its financial statements.

Accounting Standards Update 2017-04 – Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment

In January 2017, the FASB issued ASU 2017-04 to simplify the annual goodwill impairment assessment process. Currently, the first step of a quantitative impairment test requires an entity to compare the fair value of each reporting unit containing goodwill with its carrying value (including goodwill). If as a result of this analysis, the entity concludes there is an indication of impairment in a reporting unit having goodwill, the entity is required to perform the second step of the impairment analysis, determining the amount of goodwill impairment to be recorded. The amount is calculated by comparing the implied fair value of the goodwill to its carrying amount. This exercise requires the entity to allocate the fair value determined in step one to the individual assets and liabilities of the reporting unit. Any remaining fair value would be the implied fair value of goodwill on the testing date. To the extent the recorded amount of goodwill of a reporting unit exceeds the implied fair value determined in step two, an impairment loss would be reflected in results of operations. ASU 2017-04 eliminates the second step of the impairment analysis. Accordingly, if the first step of a quantitative goodwill impairment analysis performed after adoption of ASU 2017-04 indicates that the fair value of a reporting unit is less than its carrying value, the goodwill of that reporting unit would be impaired to the extent of that difference. The Company anticipates it will adopt ASU 2017-04 for impairment testing after January 1, 2020, its required effective date, although early adoption is permitted. However, if there is an indication of potential impairment of goodwill as a result of an impairment assessment prior to 2020, the Company will evaluate the impact of ASU 2017-04 and could elect to early adopt this standard.

Accounting Standards Update 2017-12 – Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities

In August 2017, the FASB issued ASU 2017-12 to better align hedge accounting with an organization's risk management activities and to simplify the application of hedge accounting guidance. ASU 2017-12 is effective for the Company on January 1, 2019 although early adoption is permitted beginning on January 1, 2018. At adoption, ASU 2017-12 is to be applied prospectively and allows entities to record a cumulative-effect adjustment at the transition date as well as allowing entities to elect certain practical expedients upon adoption. As discussed in Note 6 of the Notes to Consolidated Financial Statements in the 2017 Annual Reports on Form 10-K and in Note 9, the Company periodically enters into, and designates as cash flow hedges, interest rate swaps to hedge its exposure to changes in interest rates. In addition, as discussed in Note 8 of the Notes to Consolidated Financial Statements in the 2017 Annual Reports on Form 10-K and in Note 7, the Company enters into various derivative instruments to economically hedge the risk of changes in commodity prices, which are not currently designated as cash flow hedges. The Company is evaluating the requirements of ASU 2017-12, but does not anticipate the changes will have a significant impact on the Company's accounting treatment for derivative instruments or on its financial statements.

(2) Segment Information

The following segment presentation is based on the methodology that management uses for making operating decisions and assessing performance of its various business activities. A reconciliation of the segment presentation to the GAAP financial statements is provided.

#### PNM

PNM includes the retail electric utility operations of PNM that are subject to traditional rate regulation by the NMPRC. PNM provides integrated electricity services that include the generation, transmission, and distribution of electricity for retail electric customers in New Mexico. PNM also includes the generation and sale of electricity into the wholesale market, as well as providing transmission services to third parties. The sale of electricity includes the asset optimization of PNM's jurisdictional capacity, as well as the capacity excluded from retail rates. FERC has jurisdiction over wholesale power and transmission rates.

#### TNMP

TNMP is an electric utility providing services in Texas under the TECA. TNMP's operations are subject to traditional rate regulation by the PUCT. TNMP provides transmission and distribution services at regulated rates to various REPs that, in turn, provide retail electric service to consumers within TNMP's service area. TNMP also provides transmission services at regulated rates to other utilities that interconnect with TNMP's facilities.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

## Corporate and Other

The Corporate and Other segment includes PNMR holding company activities, primarily related to corporate level debt and PNMR Services Company. The activities of PNMR Development, NM Capital, and the equity method investment in NMRD are also included in Corporate and Other. Eliminations of intercompany income and expense transactions are reflected in the Corporate and Other segment.

The following tables present summarized financial information for PNMR by segment. PNM and TNMP each operate in only one segment. Therefore, tabular segment information is not presented for PNM and TNMP.

## PNMR SEGMENT INFORMATION

	PNM	TNMP	Corporate and Other	PNMR Consolidated
	(In thousands)			
Three Months Ended June 30, 2018				
Electric operating revenues	\$264,511	\$87,802	\$—	\$ 352,313
Cost of energy	66,361	21,350	—	87,711
Utility margin	198,150	66,452	—	264,602
Other operating expenses	107,058	23,510	(5,358)	) 125,210
Depreciation and amortization	38,213	16,113	5,737	60,063
Operating income (loss)	52,879	26,829	(379)	) 79,329
Interest income	3,381	—	958	4,339
Other income (deductions)	(3,146)	) 832	(428)	) (2,742)
Interest charges	(19,988)	) (7,801)	) (5,532)	) (33,321)
Segment earnings (loss) before income taxes	33,126	19,860	(5,381)	) 47,605
Income taxes (benefit)	2,345	4,493	(1,682)	) 5,156
Segment earnings (loss)	30,781	15,367	(3,699)	) 42,449
Valencia non-controlling interest	(4,109)	) —	—	) (4,109)
Subsidiary preferred stock dividends	(132)	) —	—	) (132)
Segment earnings (loss) attributable to PNMR	\$26,540	\$ 15,367	\$(3,699)	) \$ 38,208
Six Months Ended June 30, 2018				
Electric operating revenues	\$500,742	\$169,449	\$—	\$ 670,191
Cost of energy	137,163	43,104	—	180,267
Utility margin	363,579	126,345	—	489,924
Other operating expenses	207,569	48,484	(10,375)	) 245,678
Depreciation and amortization	74,840	32,500	11,445	118,785
Operating income (loss)	81,170	45,361	(1,070)	) 125,461
Interest income	5,868	—	2,594	8,462
Other income (deductions)	(1,927)	) 1,916	(349)	) (360)
Interest charges	(40,818)	) (15,530)	) (10,028)	) (66,376)
Segment earnings (loss) before income taxes	44,293	31,747	(8,853)	) 67,187

Edgar Filing: PNM RESOURCES INC - Form 10-Q

Income taxes (benefit)	1,997	6,968	(3,026 )	5,939
Segment earnings (loss)	42,296	24,779	(5,827 )	61,248
Valencia non-controlling interest	(7,786 )	—	—	(7,786 )
Subsidiary preferred stock dividends	(264 )	—	—	(264 )
Segment earnings (loss) attributable to PNMR	\$34,246	\$24,779	\$(5,827 )	\$53,198

At June 30, 2018:

Total Assets	\$4,994,277	\$1,583,311	\$172,501	\$6,750,089
Goodwill	\$51,632	\$226,665	\$—	\$278,297

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

	PNM	TNMP	Corporate and Other	PNMR Consolidated
	(In thousands)			
Three Months Ended June 30, 2017				
Electric operating revenues	\$276,097	\$86,223	\$—	\$362,320
Cost of energy	82,952	21,315	—	104,267
Utility margin	193,145	64,908	—	258,053
Other operating expenses	95,395	23,025	(5,235)	113,185
Depreciation and amortization	36,448	15,597	5,580	57,625
Operating income (loss)	61,302	26,286	(345)	87,243
Interest income	1,858	—	2,027	3,885
Other income (deductions)	3,762	432	(123)	4,071
Interest charges	(20,931)	(7,510)	(3,891)	(32,332)
Segment earnings (loss) before income taxes	45,991	19,208	(2,332)	62,867
Income taxes	15,515	7,004	(883)	21,636
Segment earnings (loss)	30,476	12,204	(1,449)	41,231
Valencia non-controlling interest	(3,544)	—	—	(3,544)
Subsidiary preferred stock dividends	(132)	—	—	(132)
Segment earnings (loss) attributable to PNMR	\$26,800	\$12,204	\$(1,449)	\$37,555
Six Months Ended June 30, 2017				
Electric operating revenues	\$527,655	\$164,843	\$—	\$692,498
Cost of energy	164,268	42,802	—	207,070
Utility margin	363,387	122,041	—	485,428
Other operating expenses	189,151	46,822	(9,894)	226,079
Depreciation and amortization	72,464	30,968	10,576	114,008
Operating income (loss)	101,772	44,251	(682)	145,341
Interest income	4,675	—	4,091	8,766
Other income (deductions)	9,306	1,165	(459)	10,012
Interest charges	(41,943)	(14,915)	(7,173)	(64,031)
Segment earnings (loss) before income taxes	73,810	30,501	(4,223)	100,088
Income taxes (benefit)	23,223	10,693	(1,505)	32,411
Segment earnings (loss)	50,587	19,808	(2,718)	67,677
Valencia non-controlling interest	(6,996)	—	—	(6,996)
Subsidiary preferred stock dividends	(264)	—	—	(264)
Segment earnings (loss) attributable to PNMR	\$43,327	\$19,808	\$(2,718)	\$60,417
At June 30, 2017:				
Total Assets	\$4,939,407	\$1,437,547	\$207,491	\$6,584,445
Goodwill	\$51,632	\$226,665	\$—	\$278,297

The Company defines utility margin as electric operating revenues less cost of energy. Cost of energy consists primarily of fuel and purchase power costs for PNM and costs charged by third-party transmission providers for TNMP. The Company believes that utility margin provides a more meaningful basis for evaluating operations than electric operating revenues since substantially all such costs are offset in revenues as fuel and purchase power costs are passed through to customers under PNM's FPPAC and third-party transmission costs are passed on to customers through TNMP's transmission cost recovery factor. Utility margin is not a financial measure required to be presented under GAAP and is considered a non-GAAP measure.

Table of Contents

PNM RESOURCES, INC. AND SUBSIDIARIES  
PUBLIC SERVICE COMPANY OF NEW MEXICO AND SUBSIDIARIES  
TEXAS-NEW MEXICO POWER COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

## (3) Accumulated Other Comprehensive Income (Loss)

Information regarding accumulated other comprehensive income (loss) for the six months ended June 30, 2018 and 2017 is as follows:

	Accumulated Other Comprehensive Income (Loss)				
	PNM			PNMR	
	Unrealized			Fair	
	Gains on			Value	
	Available- <del>Ret</del> ension			Adjustment	
	Sale	Liability		for	
	Securities	Adjustment	Total	Cash	
				Flow	
				Hedges	Total
	(In thousands)				
Balance at December 31, 2017, as originally reported	\$13,169	\$(110,262)	\$(97,093)	\$1,153	\$(95,940)
Cumulative effect adjustment (Note 7)	(11,208 )	—	(11,208 )	—	(11,208 )
Balance at January 1, 2018, as adjusted	1,961	(110,262 )	(108,301 )	1,153	(107,148 )
Amounts reclassified from AOCI (pre-tax)	(3,126 )	3,788			