

PNM RESOURCES INC  
Form 11-K  
June 12, 2015  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

---

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the fiscal year ended December 31, 2014

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number	Name of Registrant, 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

PNM RESOURCES, INC.  
RETIREMENT SAVINGS PLAN  
(Full title of the plan)

PNM Resources, Inc.  
(Name of issuer)

414 Silver Ave. SW  
Albuquerque, New Mexico 87102-3289  
(Address of issuer's principal executive office)



PNM RESOURCES, INC. RETIREMENT SAVINGS PLAN  
Table of Contents

	Page
Report of Independent Registered Public Accounting Firm	3
Statements of Net Assets Available for Benefits	4
Statement of Changes in Net Assets Available for Benefits	5
Notes to Financial Statements	6
Schedule I: Schedule H, Line 4(i) - Schedule of Assets (Held At End of Year)	13
Exhibit Index	14
Signature	15

NOTE: The accompanying financial statements have been prepared in part for the purpose of filing with the Department of Labor's Form 5500. Supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, other than the schedule listed above, are omitted because of the absence of the conditions under which they are required.

Report of Independent Registered Public Accounting Firm

To the Plan Administrator and Participants of PNM Resources, Inc. Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of the PNM Resources, Inc. Retirement Savings Plan (the "Plan") as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the year ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4(i)-Schedule of Assets (Held at End of Year) as of December 31, 2014, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ MOSS ADAMS LLP

Albuquerque, New Mexico  
June 12, 2015

PNM Resources, Inc. Retirement Savings Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2014	2013
Investments, at fair value:		
Registered investment companies	\$522,877,956	\$499,312,800
Collective investment trust	50,533,223	50,199,195
PNM Resources, Inc. Common Stock Fund	9,216,439	9,002,152
Total investments	582,627,618	558,514,147
Receivables:		
Employer contributions	480,617	414,074
Participant contributions	1,398	199
Notes receivable from participants	9,561,732	10,414,420
Total receivables	10,043,747	10,828,693
Net assets reflecting investments at fair value	592,671,365	569,342,840
Adjustment from fair value to contract value for fully benefit-responsive collective investment trust	(1,503,570 )	(1,360,732 )
Net assets available for benefits	\$591,167,795	\$567,982,108

The accompanying notes are an integral part of these financial statements.

## PNM Resources, Inc. Retirement Savings Plan

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2014
Additions to net assets:	
Interest and dividend income from investments	\$22,606,825
Net appreciation in fair value of investments (Note 3)	19,105,233
Interest income from notes receivable from participants	573,624
Other income	11,874
Income, net	42,297,556
Contributions:	
Participant contributions	19,060,754
Employer contributions	16,815,343
Total contributions	35,876,097
Net additions	78,173,653
Deductions from net assets:	
Benefits paid to participants	54,803,053
Administrative and other expenses	184,913
Total deductions	54,987,966
Net increase in net assets available for benefits	23,185,687
Net assets available for benefits, beginning of year	567,982,108
Net assets available for benefits, end of year	\$591,167,795

The accompanying notes are an integral part of these financial statements.



PNM Resources, Inc. Retirement Savings Plan  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014 and 2013

(1) Plan Description

The following description of the PNM Resources, Inc. (“PNMR” or the “Company”) Retirement Savings Plan (the “Plan”) is provided for general information purposes only. More complete information regarding the Plan's provisions may be found in the Plan document.

General

The Plan is a defined contribution plan sponsored by the Company covering all employees of the Company and adopting affiliates who meet the eligibility requirements as defined by the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan is administered by the PNMR Benefits Governance Committee (the “Committee”). The PNMR Corporate Investment Committee has the authority regarding investment oversight for the Plan. The PNMR Services Company Benefits Department also has responsibility for certain aspects of Plan administration.

Eligibility

Employees of the Company and its participating affiliates may participate in the employee deferral portions of the Plan as of the first payroll period after the employee enrolls. An employee becomes eligible to participate in the Company contributions portion of the Plan as of the first day of the payroll period after the employee completes three months of continuous service with the Company or its participating affiliates.

Employees of the Company and its participating affiliates who do not voluntarily elect to enroll in the employee deferral contributions portion of the Plan will be automatically enrolled in the employee deferral contributions portion of the Plan on the first day of the first payroll period after the employee has received notice of automatic enrollment and has been given a reasonable period in which to make an election. If an employee does not want to be automatically enrolled in the employee deferral contributions portion of the plan, the employee must affirmatively elect not to participate.

Contributions and Vesting

Eligible employees may contribute between 1% and 100% of compensation as defined by the Plan, limited by requirements of the Internal Revenue Code (“IRC”). For 2014, the maximum allowable pre-tax or Roth contribution was \$17,500. The Plan also allows participants attaining the age of 50 or older by the end of the calendar year to make catch-up contributions in accordance with Section 414(v) of the IRC. The maximum catch-up contribution, either pre-tax or Roth, for 2014 was \$5,500.

If an employee is automatically enrolled in the Plan, the Company and its participating affiliates will automatically withhold 3% of the participant's compensation each payroll period and contribute that amount on a before-tax basis to the participant's account in the Plan. All participants' before-tax contributions will be automatically increased by 1% on the first pay date each June until the participant reaches the greater of (1) 100% of available eligible earnings or (2) the maximum amount of before-tax contributions permitted by the IRC unless a participant affirmatively elects to not have the participant's contributions increased.

The Company provides a matching contribution of 75% of the participant's contributions up to 6% of the participant's eligible compensation (maximum Company matching contribution of 4.5%). The Company also contributes the following percentages of the participant's eligible compensation based on the participant's age:



Under 40 years of age	3%
40 - 44 years of age	5%
45 - 49 years of age	6%
50 - 54 years of age	8%
55 years of age or older	10%

6

---

PNM Resources, Inc. Retirement Savings Plan  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014 and 2013

The retirement benefit provided by this Plan is dependent upon the contributions made by the employee, the Company match, and the age based contribution described in the above table, and the rate of return on the investments. Should an employee not participate in the matching contributions, a retirement benefit will be derived exclusively from the age based contributions made by the Company and return on investments. Should an employee take full advantage of the matching portions by contributing 6%, a retirement contribution ranging from 13.5% to 20.5%, subject to annual maximums established under the IRC, can be accrued each year along with any investment gain or loss.

Participants are fully vested in their contributions and earnings (losses) thereon. In addition, participants are vested in the Company's contributions to the participant's Plan account as soon as they are made.

#### Benefits

Upon termination of service for any reason, a participant may elect to receive benefits via a distribution in a lump sum, take installment distributions not to exceed a period longer than his or her life expectancy, direct a rollover of the account balance to another qualified plan or individual retirement account or leave the account in the Plan if the balance is \$1,000 or greater.

#### Participant Accounts

Individual accounts are maintained for each of the Plan's participants to reflect the participant's contributions, the Company's contributions, and the participant's share of the Plan's income and expenses. Allocations are based on participant account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

#### Investment Options

Participants allocate their contributions among various investment options.

#### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum aggregate equal to the lesser of \$50,000 or 50% of their account balance. Amortization periods may not exceed five years, except for loans for the purchase of a primary residence, which may be repaid over a longer period of time as determined by the Committee. All loans shall be repaid with a substantially level amortization of both principal and interest on a schedule prescribed by the Committee with payments made at least quarterly. Any loan is secured by 50% of the balance in the participant's account and bears interest at a rate commensurate with the interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances, as determined by the Committee. Outstanding loans at December 31, 2014 have interest rates ranging from 5.75% to 10.75% and mature through March 2024.

#### Plan Termination

Although it has not expressed any interest to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would continue to be 100% vested in their account balances remaining after the final allocation of expenses and fund profits or losses.



PNM Resources, Inc. Retirement Savings Plan  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014 and 2013  
(2) Summary of Significant Accounting Policies

#### Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). 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 at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### Income Recognition

Interest income is recorded as earned on the accrual basis. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income. The net appreciation (depreciation) in fair value of investments includes both realized gains (losses) and unrealized appreciation (depreciation).

#### Investment Valuation

Investments of the Plan are stated at fair value. See Note 6. Investments in registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Units in the collective investment trust ("CIT") are based upon the CIT's target net asset value of \$1 per share at year-end. The Company stock fund is valued at its year-end unit closing price. Purchases and sales are reflected on a trade-date basis.

The CIT is a stable value fund that seeks to provide current and stable income while maintaining a value of \$1 per share. The CIT provides for the collective investment of assets of tax-exempt pension and profit sharing plans, primarily in a pool of investment contracts that are issued by insurance companies and commercial banks and in contracts that are backed by bond trusts. Contract value represents contributions made to the CIT, plus earnings, less participant withdrawals. Participants do not have a beneficial ownership in specific underlying securities in the CIT, but have an interest therein represented by units valued as of the last business day of the period.

#### Notes Receivable from Participants

Participant loans are classified as notes receivable from participants and measured at their unpaid principal balance, plus accrued but unpaid interest at the end of the period.

#### Risks and Uncertainties

The Plan invests in various investment securities. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.



PNM Resources, Inc. Retirement Savings Plan  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014 and 2013

#### Administrative Expenses

The Company and participants share in the administrative expenses of the Plan, except for the administrative costs of the investment funds and loan processing fees that are all paid by the participants.

#### Payment of Benefits

Benefits are recorded when paid.

#### Fully Benefit-Responsive Collective Investment Trust

Under GAAP, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to direct or indirect investments in fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits presents the CIT at fair value and an adjustment to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

#### Subsequent Events

GAAP defines subsequent events as events or transactions that occur after the date of the statement of net assets available for benefits 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 date of the statement of net assets available for benefits and/or required to be disclosed in the financial statements. The Plan has evaluated subsequent events as required by GAAP.

#### New Accounting Pronouncements

Information concerning recently issued accounting pronouncements that have not been adopted by the Plan is presented below.

#### Accounting Standards Update 2015-07 - Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)

On May 1, 2015, the FASB issued Accounting Standards Update No. 2015-07, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The new standard is effective for the Plan for reporting periods beginning after December 31, 2016, with early adoption permitted. Once adopted, the update is required to be applied on a retrospective basis for all periods presented. The Company is in the process of analyzing this new standard; however, it is not expected to have a material impact on the Plan financial statements other than the disclosure and presentation of investments measured using net asset value.



PNM Resources, Inc. Retirement Savings Plan  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014 and 2013

(3) Investments

Individual investments that represent five percent or more of the Plan's net assets available for benefits at year end are as follows:

	December 31, 2014	2013
Vanguard Wellington Fund	\$71,104,146	\$67,919,338
Vanguard PRIMECAP Fund		