

PUBLIC SERVICE CO OF NEW MEXICO
Form FWP
October 06, 2011

Issuer Free Writing Prospectus

Filed Pursuant to Rule 433

Registration Statement No. 333-173530

October 6, 2011

TERM SHEET

PUBLIC SERVICE COMPANY OF NEW MEXICO

5.35% SENIOR UNSECURED NOTES DUE 2021

| | |
|--------------------------------------|----------------------------------------------------------------------------------------------------------|
| Issuer: | Public Service Company of New Mexico |
| Ratings* (Moody s/S&P): | Baa3 (stable outlook)/BBB- (positive outlook) |
| Principal Amount: | \$160,000,000 |
| Security Type: | Senior Unsecured Notes |
| Legal Format: | SEC Registered |
| Trade Date: | October 6, 2011 |
| Settlement Date: | October 12, 2011 |
| Maturity Date: | October 1, 2021 |
| Issue Price: | 99.857% of principal amount |
| Coupon: | 5.35% |
| Benchmark Treasury: | UST 2.125% due August 15, 2021 |
| Benchmark Treasury Yield: | 1.969% |
| Spread to Benchmark Treasury: | +340 basis points |
| Re-offer Yield: | 5.369% |
| Interest Payment Dates: | Semi-annually on April 1 and October 1, commencing on April 1, 2012 |
| Redemption Provisions: | |
| Make-whole call: | Until July 1, 2021, at a make-whole premium using a discount rate of Treasury Rate plus 50 basis points. |
| Par call: | On or after July 1, 2021, at par |
| Denominations: | \$1,000 and integral multiples thereof |
| CUSIP: | 744542AB7 |
| ISIN: | US744542AB70 |
| Joint Bookrunners: | J.P. Morgan Securities LLC |
| | Mitsubishi UFJ Securities (USA), Inc. |
| Joint Lead Managers: | Citigroup Global Markets Inc. |
| | Wells Fargo Securities, LLC |
| Co-Managers: | BNY Mellon Capital Markets, LLC |
| | KeyBanc Capital Markets Inc. |
| | RBC Capital Markets, LLC |
| | SunTrust Robinson Humphrey, Inc. |
| | UBS Securities LLC |
| | U.S. Bancorp Investments, Inc. |

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The issuer has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for this offering. Before you invest, you should read the prospectus for this offering in that registration statement, and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by searching the SEC online database (EDGAR[®]) at www.sec.gov. Alternatively, you may obtain a copy of the prospectus from J.P. Morgan Securities LLC by calling collect at 1-212-834-4533 or from Mitsubishi UFJ Securities (USA), Inc. by calling toll free at 1-877-649-6848.

* Note: a securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.