



## **S&P Gives PNM Corporate Credit and Short Term Debt Rating of A-2**

**Albuquerque, New Mexico**

**April 15 , 2004**

Standard & Poor's Ratings Services has assigned its corporate credit and short-term debt rating of 'A-2' to PNM Resources (NYSE:PNM) utility subsidiary Public Service Company of New Mexico.

The S&P long-term corporate credit rating on the company is 'BBB' with a stable outlook.

"Cash and available short-term borrowing capacity is easily sufficient to cover short-term funding requirements," according to the S&P announcement. "In addition, the company maintains a conservative dividend payout ratio at around 50% of earnings, and net cash flow (funds from operations after common and preferred dividends) is expected to cover anticipated capital expenditures by more than 170 percent in 2004 and more than 150 percent during the next two years."

PNM Resources is an energy holding company based in Albuquerque, New Mexico. PNM, the principal subsidiary of PNM Resources, serves about 452,000 natural gas customers and 396,000 electric customers in New Mexico. The company also sells power on the wholesale market in the Western U.S. PNM Resources stock is traded primarily on the NYSE under the symbol PNM.

### **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

Statements made in this news release and documents we file with the SEC that relate to future events or our expectations, projections, estimates, intentions, goals, targets and strategies are made pursuant to the Private Securities Litigation Reform Act of 1995. You are cautioned that all forward-looking statements are based upon current expectations and estimates and we assume no obligation to update this information. Because actual results may differ materially from those expressed or implied by the forward-looking statements, PNM Resources cautions you not to place undue reliance on these statements. Many factors could cause actual results to differ, and will affect our future financial condition, cash flow and operating results. These factors include interest rates, weather, fuel costs, changes in supply and demand in the market for electric power, wholesale power prices, market liquidity, the competitive environment in the electric and natural gas industries, the performance of generating units and transmission system, state and federal regulatory and legislative decisions and actions, the outcome of legal proceedings and the performance of state, regional and national economies. For a detailed discussion of the important factors that affect PNM Resources and that could cause actual results to differ from those expressed or implied by our forward-looking statements, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our current and future Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and our current and future Current Reports on Form 8-K, filed with the SEC.

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