

PNM EXHIBIT TRH-5

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**STANDARD
& POOR'S**

Standard & Poor's Research

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PNM Resources' Outlook Revised To Negative

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SAN FRANCISCO (Standard & Poor's) March 10, 2008--Standard & Poor's Ratings Services said today it revised its outlook to negative from stable on the credit ratings of PNM Resources Inc. (PNMR) and electric utility subsidiaries Public Service Co. of New Mexico (PNM) and Texas-New Mexico Power Co. (TNMP).

The negative outlook reflects our perception of increased regulatory risk at PNM that, if not managed or mitigated, could harm credit quality and lead to lower ratings for PNMR and its subsidiaries. Consolidated ratings are underpinned by utility operations, which are the primary source of cash flow. The hearing examiner's recommendation in PNM's pending electric rate case for a \$24 million (4.4%) increase, which compares to the company's request of \$82 million (14.7 %.), could lead to weaker credit metrics than previously expected if adopted by the New Mexico Public Service Commission.

"The negative outlook reflects our assessment that credit metrics may not return to levels needed to maintain an investment-grade rating," said Standard & Poor's credit analyst Antonio Bettinelli.

If the decision in PNM's pending electric rate case does not support credit ratings and future cash flow, a downgrade is possible if the company cannot demonstrate the ability to adequately manage its financial and business profile to maintain a 'BBB-' rating. Our outlook also reflects the company's currently stretched liquidity position. A return to stable may require consistent plant performance, solid performance in nonregulated investments, and a regulatory environment that allows PNM to reasonably collect its costs. Upside rating potential is limited at this time.

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