

Item 1.01 Entry into a Material Definitive Agreement.

As has been previously reported, Public Service Company of New Mexico (“PNM”), a wholly owned subsidiary of PNM Resources, Inc., leases interests in Units 1 and 2 of the Palo Verde Nuclear Generating Station (“PVNGS”) under arrangements entered into in 1985 and 1986 that are accounted for as operating leases. There are currently eight separate lease agreements with eight different trusts whose beneficial owners are four different institutional investors.

As previously reported, on January 13, 2014, PNM provided notice to the three Unit 2 lessors, including CGI Capital, Inc. (“CGI”), that it would exercise its fair market value purchase option at the end of the original lease term. On February 25, 2014, PNM entered into a letter agreement (the “CGI Letter Agreement”) with CGI, specifying and agreeing to the fair market value of the approximately 31 megawatts of generating capacity subject to the CGI Unit 2 lease as of the end of the original lease term, January 15, 2016. Such agreed fair market value is \$78,123,500, or \$2,500 per kilowatt.

On September 18, 2015, PNM entered into a definitive Sale Agreement (PVNGS Unit 2 Lease) (the “Sale Agreement”) to implement the CGI Letter Agreement. The Sale Agreement provides for the closing of the purchase by PNM of the generating capacity under the CGI Unit 2 lease on January 15, 2016, at which time the specified purchase price will be paid by PNM and the transfer of the leased interests to PNM will take place.

A copy of the Sale Agreement is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit
Number

Description

10.1 Sale Agreement (PVNGS Unit 2 Lease) dated as of September 18, 2015, between Public Service Company of New Mexico and CGI Capital, Inc.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

PNM RESOURCES, INC.
PUBLIC SERVICE COMPANY OF NEW MEXICO

(Registrants)

Date: September 21, 2015

/s/ Joseph D. Tarry
Joseph D. Tarry
Vice President and Corporate Controller
(Officer duly authorized to sign this report)