PUBLIC SERVICE CO OF NEW MEXICO
Form 424B2
October 07, 2011
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SEC File No. 333-173530

Prospectus Supplement

(To Prospectus dated May 26, 2011)

Public Service Company of New Mexico

$160,000,000

5.35% Senior Unsecured Notes due 2021

Interest payable April 1 and October 1

Issue Price: 99.857%

The notes will mature on October 1, 2021. Interest will accrue from October 12, 2011. We may redeem the notes in whole or in part at any time at the redemption prices described herein. See Description of the notes Optional redemption.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

See Risk factors beginning on page S-5 for a discussion of certain risks that you should consider in connection with an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to public	Underwriting discounts	Proceeds to us before expenses
Per Note	99.857%	0.650%	99.207%
Total	$ 159,771,200	$ 1,040,000	$ 158,731,200

The notes will be ready for delivery in book-entry form only through The Depository Trust Company on or about October 12, 2011.

Joint book-running managers

J.P. Morgan **Mitsubishi UFJ Securities**

Joint lead managers

Citigroup	**Wells Fargo Securities**

Co-managers

BNY Mellon Capital Markets, LLC	**KeyBanc Capital Markets**	**RBC Capital Markets**
SunTrust Robinson Humphrey	**UBS Investment Bank**	**US Bancorp**

October 6, 2011

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About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. You should read this entire prospectus supplement as well as the accompanying prospectus and the documents incorporated by reference that are described under Where you can find more information herein. In the event that the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us, or information to which we have referred you. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of the respective dates of those documents in which the information is contained. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus supplement and the accompanying prospectus to the Company, PNM, we, our and us refer to Public Service Company of New Mexico. Unless otherwise indicated, financial information included or incorporated by reference herein is for PNM and its subsidiaries on a consolidated basis.

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Prospectus supplement summary

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information that may be important to you. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully before making an investment decision.

The company

General

We are a public utility company organized under the laws of the State of New Mexico with regulated operations primarily engaged in the generation, transmission and distribution of electricity. PNM is a wholly-owned subsidiary of PNM Resources, Inc. (PNMR), an investor-owned holding company of energy and energy-related businesses.

Recent developments

Potential Refinancing of Revolving Credit Facility. On September 28, 2011, we entered into a commitment letter with Wells Fargo Securities, LLC and Union Bank, N.A., as arrangers for a syndicate of lenders in connection with a new $400.0 million senior unsecured revolving credit facility (the New PNM Facility). The New PNM Facility is intended to replace PNM s existing $368.0 million unsecured revolving credit facility (the PNM Facility), and would be available to be used for working capital, capital expenditures, letters of credit, support for commercial paper and other lawful corporate purposes. We expect that the New PNM Facility will include competitive pricing terms and that the maturity date for the New PNM Facility will be five years, subject to two optional one-year extensions. All other terms and conditions governing the New PNM Facility are expected to be substantially similar to the terms and conditions under the PNM Facility. The closing of the New PNM Facility is subject to certain customary conditions, and there can be no assurance that this transaction will be completed on the basis of these terms or at all.

Corporate information

Our principal executive office is located at Alvarado Square, Albuquerque, New Mexico 87158, and our telephone number is (505) 241-2700. We also maintain a website at www.pnm.com. Our website and the information contained therein are not part of this prospectus supplement.

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The notes offering

Issuer	Public Service Company of New Mexico.
Securities	$160,000,000 aggregate principal amount of 5.35% Senior Unsecured Notes due 2021.
Denominations	The notes will be issued in denominations of $1,000 and integral multiples of $1,000.
Maturity date	October 1, 2021.
Interest rate	5.35% per year.
Interest payment dates	We will pay interest in arrears each April 1 and October 1, beginning April 1, 2012.
Mandatory redemption	We will not be required to make mandatory redemption or sinking fund payments on the notes.
Optional redemption	We may redeem the notes at our option on any date that is prior to the date that is three months prior to the maturity date, at any time in whole or from time to time in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the notes being redeemed; and
- the sum of the present values of the remaining scheduled payments of principal amount and interest, not including any amounts accrued as of the applicable redemption date, on the notes being redeemed discounted to the applicable redemption date

plus, in each case, accrued and unpaid interest on the principal amount being redeemed to the applicable redemption date.

In addition, we may redeem the notes on or after the date that is three months prior to the maturity date, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the notes plus, in each case, accrued and unpaid interest on the notes to the redemption date.

See Description of the notes Optional redemption in this prospectus supplement and under Description of Senior Unsecured Notes Redemption in the accompanying prospectus.

Ranking	The notes will be our senior and unsecured obligations and will rank equally in right of payment with all our existing and future senior and unsecured debt and will be effectively subordinated to the claims of holders of any future secured debt with respect to the collateral securing such claims. The notes will be senior in right of payment to

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any future subordinated unsecured debt that we may incur. As of June 30, 2011, we had $1,328.8 million aggregate principal amount of short-term and long-term senior unsecured debt and no secured debt outstanding. See Description of the notes Ranking below.

Certain covenants

The indenture that will govern the notes limits our ability, among other things:

- to create liens without equally and ratably securing the notes; and
- to engage in certain sale/leaseback transactions.

The indenture also limits our ability to engage in mergers, consolidations and certain sales of assets.

These covenants are subject to important exceptions and qualifications, as described under Description of Senior Unsecured Notes Restrictions on Liens, Description of Senior Unsecured Notes Restrictions on Sale and Lease-Back Transactions and Description of Senior Unsecured Notes Restrictions on Mergers and Sale of Assets in the accompanying prospectus.

Use of proceeds

We will use the net proceeds from this offering to repay outstanding borrowings under the PNM Facility. See Use of proceeds below.

Conflicts of interest

Certain of the underwriters in this offering, or their affiliates, will receive more than 5% of the net proceeds of this offering in connection with the repayment of outstanding borrowings under the PNM Facility. See Use of Proceeds below. Accordingly, this offering is being made in compliance with the Financial Industry Regulatory Authority (FINRA) Rule 5121. Because the notes to be offered will be rated investment grade, pursuant to FINRA Rule 5121, the appointment of a qualified independent underwriter is not necessary. Such underwriters will not confirm sales of the notes to any account over which it exercises discretionary authority without the prior written approval of the customer.

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Risk factors

Before you invest in our notes, you should carefully consider the risks described below. In addition, you should carefully consider any risks set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010 and Part II, Item 1A of our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2011 and March 31, 2011, each of which is incorporated by reference in this prospectus supplement. See also Where You Can Find More Information about future filings which we will make with the SEC, some of which may contain additional risk factors, and are incorporated by reference into this prospectus supplement. If any of the risks actually occurs, our business, financial condition, results of operations and cash flows could be harmed.

Any failure to renegotiate our credit facility or meet our debt obligations and capital expenditure requirements could harm our business, financial condition and results of operations.

As of September 30, 2011, the Company had short-term debt outstanding of $257.0 million through the PNM Facility which expires in August 2012. We utilize this credit facility and cash flows from operations to provide funds for both construction and operational expenditures. From time to time, we use the PNM Facility for operational requirements because our business is seasonal with more revenues and cash flows from operations being generated in the summer months when air conditioning loads are greater. In addition, in general, we rely on this credit facility as the initial source to finance construction expenditures resulting in increased borrowings under the facility over time. Our credit facility will need to be renegotiated or replaced prior to its expiration in order to provide sufficient liquidity to finance operations and construction expenditures. On September 28, 2011, we entered into a commitment letter with Wells Fargo Securities, LLC and Union Bank, N.A., as arrangers for a syndicate of lenders in connection with the New PNM Facility. The closing of the New PNM Facility is subject to certain conditions, and there can be no assurance that this transaction will be completed on the basis of these terms or at all.

The Company is projecting total construction expenditures for the years 2011-2015 to be $981.5 million, including amounts expended through the date of this prospectus supplement. This projection does not include any amounts related to pollution control equipment that might ultimately be required as a result of the United States Environmental Protection Agency s (EPA) decision issued on August 5, 2011, to require installation of selective catalytic reduction (SCR) technology on all four units at the Company s San Juan Generating Station (SJGS) in order to address regional haze, which decision we have appealed. See Liquidity and capital resources Capital requirements. We are exploring financial alternatives to meet these anticipated expenditures and currently believe that internal cash generation, credit arrangements, and access to the public and private capital markets will provide sufficient resources to meet capital requirements. To cover the difference in the amounts and timing of cash generation and cash requirements, we intend to use short-term borrowings under current or then existing liquidity arrangements.

If our cash flow and credit and capital resources are insufficient to fund our capital expenditure plans or debt obligations, we may be forced to delay important capital investments, sell assets, seek additional equity or debt capital, or restructure our debt. In addition, any failure to make scheduled payments on our outstanding indebtedness would likely result in reductions of our credit ratings, which could harm our ability to incur additional indebtedness on acceptable terms

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and would result in an increase in the interest rates applicable under our credit facilities. Our cash flow and capital resources may be insufficient to pay interest and principal on our debt in the future. If that should occur, our capital raising or debt restructuring measures may be unsuccessful or inadequate to meet our scheduled debt service obligations, which could cause us to default on our obligations and further impair our liquidity.

In addition to our current indebtedness, we may incur substantially more debt.

We may incur substantially more debt in the future. The indenture governing the notes does not restrict our ability to incur additional indebtedness. As of September 30, 2011, we had $1,055.9 million of long-term debt and had borrowed $257.0 million under the PNM Facility and had $29.2 million in letters of credit outstanding, which reduces the available capacity under the PNM Facility.

To the extent that we incur new debt either under the facilities described above or any new facilities, including the New PNM Facility, this new debt will be combined with our current debt levels and the risks described herein and incorporated by reference could substantially increase.

Future reduction in our credit rating could materially and adversely affect our business, financial position, results of operations and liquidity.

We cannot be sure that our current credit rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency. Downgrades could result in:

- increased borrowing costs, which would negatively impact results of operation and cash flows,

- required payment of a higher interest rate in future financings, a smaller potential pool of investors, and decreased funding sources,

- required provision of additional support in the form of letters of credit, cash or other collateral to various counterparties, and

- limited access to, or increased costs of access to, the credit markets.

The notes have no established trading market or history, and liquidity of trading markets for the notes may be limited.

The notes will constitute a new issue of securities with no established trading market. Although the underwriters have indicated that they intend to make a market in the notes, they are not obligated to do so and any of their market-making activities may be terminated or limited at any time. In addition, we do not intend to apply for a listing of the notes on any securities exchange or interdealer quotation system. As a result, there can be no assurance as to the liquidity of markets that may develop for the notes, the ability of noteholders to sell their notes or the prices at which notes could be sold. The notes may trade at prices that are lower than their initial purchase price depending on many factors, including prevailing interest rates and the markets for similar securities. The liquidity of trading markets for the notes may also be adversely affected by general declines or disruptions in the markets for debt securities. Those market declines or disruptions could adversely affect the liquidity of and market for the notes independent of our financial performance or prospects.

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Special note regarding forward-looking statements

This prospectus supplement contains or incorporates by reference forward-looking statements, which you can generally identify by our use of forward-looking words including believe, expect, intend, may, will, should, could, anticipate or plan or the negative or other var terms or comparable terminology, or by discussion of strategies that involve risks and uncertainties. These forward-looking statements relate to future events or our expectations, projections, estimates, intentions, goals, targets, and strategies and 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 these forward-looking statements, we caution you not to place undue reliance on these statements. Our business, financial condition, cash flow, and operating results are influenced by many factors, which are often beyond our control, that can cause actual results to differ from those expressed or implied by the forward-looking statements. These risk factors include, without limitation:

Conditions affecting our ability to access the financial markets and our ability to consummate the New PNM Facility to replace the PNM Facility, including disruptions in the credit markets and actions by ratings agencies affecting our credit ratings,

The impacts of decreases in the values of marketable equity securities on the trust funds maintained to provide nuclear decommissioning funding and pension and other postretirement benefits, including the levels of funding and expense,

The impact of economic conditions on the electricity usage of our customers,

State and federal regulatory, legislative and judicial decisions and actions, including the outcomes of our pending cases and appeals of prior regulatory proceedings,

Our ability to successfully defend the utilization of a future test year in our electric rate filings with the New Mexico Public Regulation Commission (NMPRC), including our ability to withstand challenges by regulators and intervenors,

Our ability to successfully forecast and manage operating and capital expenditures, particularly in the context of a future test year rate case,
Our ability to recover our costs and earn our allowed returns in our regulated jurisdictions,

Our ability to meet the renewable energy requirements established by the NMPRC, including the resource diversity requirement, within the specified cost parameters,

The risk that replacement power costs incurred by us related to not meeting the specified capacity factor for our generating units under our emergency fuel and purchased power adjustment clause or for other reasons will not be approved by the NMPRC,

State and federal regulation or legislation relating to climate change, reduction of greenhouse gas emissions, coal combustion byproducts, nitrogen oxides, and other power plant emissions, including the risk that we may have to commit to substantial capital investments and additional operating costs to comply with new environmental requirements, including requirements to address regional haze regulations and related Best Available Retrofit Technology requirements and concerns about global climate change, and the resultant impacts on the operations and economic viability of generating plants in which we have interests,

The performance of our generating units, including the Palo Verde Nuclear Generating Station (PVNGS), the SJGS, and the Four Corners Power Plant, transmission systems, and distribution systems, which could be negatively affected by major equipment failures, major weather disruptions, disruptions in fuel supply, and other significant operational issues,

Financial and operational risks at PVNGS relating to any increased regulatory review and actions in response to the events at the Fukushima Daiichi Nuclear Power Plant in Japan,

The risks associated with completion of generation, transmission, distribution, and other projects, including construction delays and unanticipated cost overruns,

Uncertainty regarding the requirements and related costs of decommissioning power plants owned or partially owned by us and coal mines supplying certain of our power plants, as well as the ability to recover decommissioning costs from customers,

Uncertainty surrounding the status of our participation in jointly-owned generation projects resulting from the scheduled expiration of the operational documents for the projects beginning in 2016 and potential changes in the objectives of the participants in the projects,

The risk that recently enacted reliability standards regarding available transmission capacity may reduce certain of our transmission rights used to transmit our generation resources and provide access to transmission customers resulting in a need to purchase additional transmission capacity, reduce sales of transmission capacity, or operate generation less economically,

Collections experience,

Fluctuations in interest rates,

Weather,

Water supply,

Changes in fuel costs,

Availability of fuel supplies,

The effectiveness of risk management and commodity risk transactions,

Seasonality and other changes in supply and demand in the market for electric power,

The impact of mandatory energy efficiency measures on customer energy usage, Variability of wholesale power prices and natural gas prices,

Volatility and liquidity in the wholesale power markets and the natural gas markets,

Uncertainty regarding the ongoing validity of government programs for emission allowances,

Changes in the competitive environment in the electric industry,

The outcome of legal proceedings,

The extent of insurance coverage available for claims made in litigation,

Changes in applicable accounting principles, and

The performance of state, regional, and national economies.

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Use of proceeds

We estimate that the net proceeds from this offering will be approximately $158.7 million, after deducting the underwriting discount and before deducting our estimated offering expenses. We expect to use the net proceeds from this offering to pay down outstanding borrowings under the PNM Facility. Our borrowings under the PNM Facility at September 30, 2011, totaled $257.0 million at a weighted average interest rate of 0.88%. Amounts borrowed under the PNM Facility were used for general corporate purposes. Certain of the underwriters or their affiliates are agents or lenders under the PNM Facility and, accordingly, will receive a portion of the proceeds from this offering. See Underwriting Conflicts of interest.

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Ratio of earnings to fixed charges

The following table shows our ratio of earnings to fixed charges[1] for the periods indicated:

Six months ended June 30, 2011[2]				Year ended December 31,	
	2010	2009	2008[3]	2007	2006
1.08	2.15	1.35	0.12	1.31	2.23

(1) For the purpose of computing the ratios of earnings to fixed charges, earnings represent (i) pretax income from continuing operations before adjustment for non-controlling interests in unconsolidated subsidiaries, and (ii) fixed charges as below, less (A) interest capitalized, and (B) non-controlling interest in pre-tax income of subsidiaries that have not incurred fixed charges. Fixed charges include (i) interest expensed and capitalized, (ii) amortization of premiums, discounts and expenses related to indebtedness, (iii) interest from discontinued operations (including capitalized interest), and (iv) estimated interest factor of lease rental charges.

(2) Earnings, as defined in footnote (1) above, for the six months ended June 30, 2011 includes a pre-tax loss of $17.5 million due to the write-off of regulatory disallowances. If that write-off was excluded, the Ratio of Earnings to Fixed Charges would have been 1.53.

(3) The shortfall in the earnings available for fixed charges to achieve a ratio of earnings to fixed charges of 1.00 amounted to $83.9 million for the year ended December 31, 2008.

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Capitalization

The following table shows our capitalization at June 30, 2011 on an actual basis and as adjusted to reflect this offering and application of the estimated net proceeds as described in Use of proceeds. You should read this table together with our historical financial statements and the accompanying notes incorporated by reference into this prospectus supplement.

	June 30, 2011	
	Actual	**As adjusted**
	(in thousands)	
Short-term debt	$ 273,000	$ 113,229[(1)]
Long-term debt:		
Notes offered hereby		160,000
Other long-term debt	1,055,869	1,055,869
Unamortized discounts	(113)	(342)
Total long-term debt	1,055,756	1,215,527
Cumulative preferred stock	11,529	11,529
Total common stockholder s equity	1,115,600	1,115,600
Total capitalization	$ 2,455,885	$ 2,455,885

(1) Does not reflect the payment of the underwriting discount and expenses of the offering or the net repayments of short-term debt since June 30, 2011. Short-term debt as of September 30, 2011 was $257.0 million. The payment of these costs will result in less reduction of short-term debt and the net repayments of short-term debt will result in a greater reduction of short-term debt.

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Liquidity and capital resources

Statements of cash flows

The information set forth below should be read together with the Consolidated Statements of Cash Flows in our Annual Report on Form 10-K for the year ended December 31, 2010 and our Quarterly Report on Form 10-Q for the six months ended June 30, 2011, incorporated by reference hereto. The changes in our cash flows are summarized as follows:

	Year ended December 31,				
	2010	2009	2008	2010/2009 Change	2009/2008 Change
					(In millions)
Net cash flows from operating activities	$ 149.1	$ (39.3)	$ 167.6	$ 188.4	$ (206.9)
Net cash flows from investing activities	(200.6)	412.5	(247.4)	(613.1)	659.9
Net cash flows from financing activities	60.4	(418.4)	122.1	478.8	(540.5)
Net change in cash and cash equivalents	$ 8.9	$ (45.2)	$ 42.3	$ 54.1	$ (87.5)

The changes in cash flows from operating activities relate primarily to net refunds of income taxes of $59.3 million in 2010, including changes in book to tax differences on capitalized overheads, compared to net payments of $126.5 million in 2009, primarily related to the sale of the PNM Gas segment, and net payments of $2.1 million in 2008. Rate increases implemented on April 1, 2010, July 1, 2009 and May 1, 2008 also contributed to the changes. In addition, only one month of operations from the PNM Gas segment in 2009 contributed to the decrease from 2008.

The changes in cash flows from investing activities relate primarily to the proceeds from the sale of the PNM Gas segment in 2009 of $652.9 million. Utility plant additions decreased $48.7 million in 2010 compared to 2009 and $30.9 million in 2009 compared to 2008, after reflecting payments for rights-of-way renewals of $29.3 million in 2010, $10.6 million in 2009 and zero in 2008.

The changes in cash flows from financing activities relate primarily to the 2009 use of the proceeds from the sale of the PNM Gas segment to retire short-term borrowings. In 2010, short-term borrowings were used to augment cash flows from operations to fund continuing construction expenditures. Cash flows from financing activities also reflect the refinancing of $403.8 million of Pollution Control Revenue Bonds in 2010 and $36.0 million in 2009. In 2008, the issuance of new long-term debt of $350.0 million was partially offset by the redemption of $300.0 million in long-term debt.

	Six months ended June 30,		
	2011	2010	Change
			(In millions)
Net cash flows from operating activities	$ 66.2	$ 30.4	$ 35.8
Net cash flows from investing activities	(111.0)	(104.9)	(6.1)
Net cash flows from financing activities	35.0	78.8	(43.8)
Net change in cash and cash equivalents	$ (9.8)	$ 4.3	$ (14.1)

The changes in cash flows from operating activities reflect the January 2010 payment of the $31.9 million settlement of the California energy crisis legal proceeding, improved collections under the FPPAC of $20.9 million and a decrease in posted collateral requirements of $3.5 million. These increases were partially offset by $33.7 million in lower net refunds of income taxes.

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The changes in cash flows from investing activities relate primarily to increases in construction expenditures in 2011 of $12.3 million, partially offset by a decrease in payments for rights-of-way renewals in 2011 of $4.8 million. Construction expenditures were funded primarily through cash flows from operating activities and short-term borrowings in both 2011 and 2010.

The changes in cash flows from financing activities primarily relate to $43.7 million in dividends paid to PNMR in 2011. In addition, payments received on PVNGS firm-sales contract arrangements were reduced to $2.6 million in 2011 compared to $15.2 million in 2010 as those contracts expired on December 31, 2010. A $9.0 million increase in net short-term borrowings also contributed to the change.

Capital requirements

Total capital requirements consist of construction expenditures and cash dividend requirements for preferred stock. In addition, we make periodic common stock dividends to PNMR. These common stock dividends are not included in the amounts below. The main focus of our current construction program is upgrading generation resources, including renewable energy resources, upgrading and expanding the electric transmission and distribution systems, and purchasing nuclear fuel. Projections, including amounts expended through June 30, 2011, for total capital requirements for 2011 are $273.7 million, including construction expenditures of $273.2 million. Total capital requirements for the years 2011 to 2015 are projected to be $984.1 million, including construction expenditures of $981.5 million. These estimates are under continuing review and subject to on-going adjustment, as well as to board review and approval, and do not include any amounts related to pollution control equipment that might ultimately be required as a result of EPA s decision issued on August 5, 2011 to require installation of SCR technology on all four units at the SJGS in order to address regional haze, which decision we have appealed. We have previously reported that installing SCR technology on all four units at the SJGS would cost between $750 million and $1 billion for the entire station. If the appeal process were to last a year, we estimate the plant owners would spend an estimated $43.6 million on early design and construction during that time. If two years passed before the court s decision on the appeal, we estimate the plant owners would spend about $246.1 million toward the total project cost. Our share of costs for installing the SCR technology incurred would be approximately 46.3%.

We utilize cash generated from operations and cash on hand, as well as our liquidity arrangements, to meet our capital requirements and construction expenditures. We have long-term debt of $39.3 million and $37.0 million that is subject to mandatory tender in 2015 and 2017. We have no other long-term debt that comes due prior to 2018.

In addition to this offering, we anticipate that it will be necessary to obtain additional long-term financing in the form of debt refinancing and/or new debt in order to fund some of our capital requirements. We believe that our internal cash generation, credit arrangements and access to capital markets will provide sufficient resources to meet our capital requirements during the 2011-2015 period. To cover the difference in the amounts and timing of cash generation and cash requirements, we intend to use short-term borrowings under our current and future liquidity arrangements.

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