EL PASO ELECTRIC CO /TX/
Form FWP
May 29, 2008

Filed Pursuant to Rule 433

Registration Statement No. 333-151021

May 29, 2008

**PRICING TERM SHEET**

(to Preliminary Prospectus Supplement dated May 29, 2008)

Issuer:

El Paso Electric Company

Security:

7.50% Senior Notes due 2038

Legal Format:

SEC Registered

Size:

$150,000,000

Trade Date:

May 29, 2008

Expected Settlement Date:

June 3, 2008

Maturity Date:

March 15, 2038

Coupon:

7.50%

Interest Payment Dates:

March 15 and September 15, commencing September 15, 2008

Price to Public:

99.146%

Net Proceeds to Issuer:

$147,406,500

Benchmark Treasury:

5.000% due May 15, 2037

Benchmark Treasury Yield:

4.774%

Spread to Benchmark Treasury:

+ 280 basis points

Re-offer Yield:

7.574%

Make-whole call:

At any time at a discount rate of Treasury plus 50 basis points

CUSIP:

283677AX0

Anticipated Ratings:

Moody s

Baa2

S&P

BBB

Sole Book-Running Manager:

Credit Suisse Securities (USA) LLC

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.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus 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 visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, the underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Credit Suisse Securities (USA) LLC toll free at 800-221-1037.