



PNM Resources
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March 28, 2011

VIA E-MAIL (to: rule-comments@sec.gov) AND U.S. MAIL

Office of the Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File No. S7-18-08
Securities and Exchange Commission Release No. 33-9186 and 34-63874,
Security Ratings

Ladies and Gentlemen:

PNM Resources, Inc. ("PNM Resources") extends its thanks to the Securities and Exchange Commission (the "Commission") for providing this opportunity to comment again on the Commission's proposed rule amendments to the eligibility requirements for the use of Form S-3 under the Securities Act of 1933.

As a general matter, PNM Resources has reviewed and endorses the comments submitted by the Edison Electric Institute ("EEI") on behalf of the electric utility industry on March 28, 2011. We would like to add support to the points made by EEI in that the three year look back in the proposed rule is especially unfair given the highly regulated nature and capital requirements of the electric utility industry, the holding company structure of many electric utilities and the recent history of the credit markets.

We believe the proposed rule changes to the Form S-3 eligibility requirements will adversely affect our largest electric utility subsidiary and ultimately our customers by potentially increasing interest and issuance expenses and making it more difficult to efficiently access the capital markets. We further believe that the proposed changes to the Form S-3 eligibility requirements are not necessary or appropriate with respect to traditional corporate debt securities and preferred stock and could cause potential investors to receive less information about the issuer while increasing non-registered securities.

PNM Resources is an energy holding company based in Albuquerque, New Mexico. Its utility subsidiaries are Public Service Company of New Mexico ("PNM") and Texas-New Mexico Power. Each of PNM Resources and PNM are reporting companies under the Securities Exchange Act of 1934, as amended, and maintain shelf registration statements on Form S-3 for the public offering of debt securities and, in the case of PNM Resources, equity securities. PNM Resources is a well-known seasoned issuer ("WKSI"); PNM, as a subsidiary issuer with no publicly traded common stock, is not a WKSI but is S-3 eligible.

The existing Form S-3 registration statements have provided both the holding company and PNM, the traditional state-regulated operating company, with significant flexibility in accessing the capital markets. If the changes to the Form S-3 eligibility requirements are adopted as proposed, PNM will lose its ability to use a Form S-3 registration statement because it has not issued \$1 billion of debt securities over the past three years. PNM would be required to either use the more expensive and time consuming, as well as less flexible, Form S-1 or conduct unregistered offerings as private placements or offerings limited to qualified institutional buyers under Rule 144A. This would create a significant difficulty for PNM as a traditional operating company that has relied on its ability to periodically conduct public offerings of debt securities and could require the company to access less liquid sources of capital and ultimately increase the cost of providing electricity to our customers.

PNM Resources appreciates the efforts of the Commission to increase the transparency of the credit ratings process, but we nevertheless strongly believe that any changes to the Form S-3 eligibility requirements should not impact the ability of utility companies to efficiently issue traditional investment grade corporate debt securities and preferred stock, particularly during a period when national policy calls for significantly increased capital expenditures by the electric utility industry.

If the Commission has any questions regarding this letter, please contact my colleague Charles L. Moore, Associate General Counsel, PNM Resources, Inc. at (505) 241-4935.

Very truly yours,



Elisabeth Eden
Assistant Treasurer
PNM Resources, Inc.