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December 8, 2009

**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. 33-9069 and 34-60790,  
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. The Commission originally published the proposed rule changes on July 11, 2008. PNM Resources submitted comments on September 5, 2008. The Commission reopened the comment period and requested further comment on the proposed rule on October 9, 2009.

First, as a general matter, PNM Resources has reviewed and endorses the comments submitted by the Edison Electric Institute on behalf of the electric utility industry on September 5, 2008, and again on December 3, 2009. We particularly would like to add support to the point made by EEI in its more recent letter that the three year look back in the proposed rule is especially unfair given the recent history of the credit markets.

Without restating in detail our comments in our September 5, 2008 letter, we believe the proposed rule changes to the Form S-3 eligibility requirements will adversely affect our largest electric utility subsidiary and adversely affect a significant number of other electric utilities. 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. If the Commission should find it necessary to eliminate the investment grade standard for Form

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S-3 eligibility, PNM Resources believes the proposed \$1 billion debt issuance threshold is not an appropriate alternative standard.

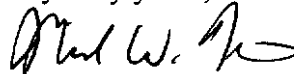
PNM Resources is an energy holding company based in Albuquerque, New Mexico. Its utility subsidiaries are Public Service Company of New Mexico ("PNM") and Texas-New Mexico Power Company. Each of PNM Resources and PNM are reporting companies under the Securities Exchange Act of 1934, as amended, and maintain 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. Additional details regarding our position were set forth in our September 5, 2008 letter.

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,



Michael W. Rico  
Assistant Treasurer  
PNM Resources, Inc.