

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-27954; 70-10285)

PNM Resources, Inc.

Filings Under the Public Utility Holding Company Act of 1935, as amended ("Act")

March 30, 2005

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by **April 25, 2005**, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After **April 25, 2005**, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Notice of Proposal to Amend Restated Certificate of Incorporation; Order Authorizing the Solicitation of Proxies

PNM Resources, Inc. (“PNM Resources”), Alvarado Square, Albuquerque, NM 87158, a registered holding company, has filed an application-declaration (“Application”) under sections 6(a), 7, 8, 9(a), 10, 11, and 12(e) of the Act and rules 51, 54 and 62-65 under the Act.

PNM Resources became an exempt public utility holding company on December 31, 2001, and conducts its operations consistent with the order of the New Mexico Public Regulation Commission which authorized the holding company structure. Except for certain corporate support services provided to its subsidiaries at cost pursuant to that order, PNM Resources conducts no business operations other than as a holding company. PNMR Services Company (“Services”) is a subsidiary service company, which provides services at cost to the subsidiaries of PNM Resources. PNM Resources filed a notice of registration under the Act on December 30, 2004, and transferred its service functions to Services on January 1, 2005.

PNM Resources’ only public utility company subsidiary is Public Service Company of New Mexico (“PNM”), a New Mexico corporation. PNM is an electric and gas public utility company. It is engaged in the generation, transmission, and distribution of electric energy at retail in the State of New Mexico and makes sales for resale (“wholesale” sales) of electricity in interstate commerce. PNM is also engaged in the distribution of natural gas in the State of New Mexico, which includes some off-system wholesale sales of natural gas.

PNM Resources proposes to acquire all of the outstanding voting securities of TNP Enterprises, Inc. (“TNP Enterprises”), a public utility holding company claiming

exemption by rule 2 under the Act (the acquisition is referred to hereafter as the “Transaction”). TNP Enterprises has subsidiary electric utility operations in Texas and New Mexico conducted by Texas-New Mexico Power Company (“TNMP”), its public utility subsidiary. In connection with the Transaction, PNM Resources is requesting authorization to amend its Restated Articles of Incorporation (“Restated Articles”) and to solicit proxies from its shareholders to approve such amendment at its annual meeting of shareholders to be held on May 17, 2005.

In order to finance a portion of the acquisition cost, PNM Resources will issue and sell 4,000,000 units of its 6.625% Hybrid Income Term Security Units (the “Units”) to Cascade Investment, L.L.C. (“Cascade”), a limited liability company formed under the laws of the State of Washington, in consideration for \$100,000,000. Each Unit will have a stated amount of \$25.00. The proceeds of the sale of the Units will be used by PNM Resources to finance a portion of the cash consideration paid in the Transaction and for refinancing the debt and preferred securities of TNP Enterprises. The Units will be sold pursuant to the terms of a Unit Purchase Agreement, dated August 13, 2004, between PNM Resources and Cascade (the “UPA”). Each Unit consists of two components, (i) a forward purchase contract which obligates the holder (Cascade or an affiliate of Cascade) to purchase and PNM Resources to sell, no later than February 16, May 16, August 16 or November 16 first following the third anniversary of the issuance of the Units, a specified number of shares of PNM Resources common stock (“Common Shares”) (subject to anti-dilution adjustments), and (ii) a 1/40, or 2.5%, ownership interest in one of PNM Resources’ senior notes (“Senior Notes”) (A) with a principal amount of \$1,000, (B) with an initial maturity date of February 16, May 16, August 16, or November 16 next

preceding the fifth anniversary date of the initial issuance of the Units, and (C) bearing interest at a rate per annum (not to exceed 6.625%) to be set at the market at or near the date of issuance.

Under the UPA, Cascade (or any Cascade affiliate holder of the Units) shall have the right to purchase PNM Resources' Convertible Preferred Stock, Series A (the "Preferred Shares") in lieu of Common Shares. Each Preferred Share is convertible at any time, at the option of the holder, into ten Common Shares, subject to adjustment for stock splits, combinations, reclassifications, mergers, consolidations, sales of assets and other transactions. In accordance with the Cascade Order, Cascade intends to exercise its right to purchase Preferred Shares in lieu of Common Shares in order to maintain its ownership of PNM Resources' outstanding voting securities at less than 10%.

Also under the UPA, PNM Resources is obligated to seek shareholder approval for an amendment to the Restated Articles that would confer upon holders of the Preferred Shares certain voting rights in addition to those voting rights conferred by law. Specifically, under the Restated Articles, as proposed to be amended, the Preferred Shares, voting as a single class with PNM Resources' common stock, will be entitled to the number of votes to which the shares of common stock into which the Preferred Shares are convertible are entitled to vote on all matters required to be submitted to a vote of common stockholders, other than the right to vote in the election of directors, provided that such voting rights are exercisable by the holders of Preferred Shares only if approved and permitted by the Commission.

The proposed amendment to PNM Resources' Restated Articles to confer the additional (i.e., non-statutory) voting rights on the Preferred Shares requires the approval

of the common stockholders of PNM Resources.¹ PNM Resources intends to seek such approval at its annual meeting to be held on May 17, 2005. Accordingly, PNM Resources requests that its proposal to solicit proxies for shareholder approval of the proposed amendment be permitted to become effective immediately under rule 62(d).

It appears to the Commission that PNM Resources' Application regarding the proposed solicitation of proxies should be permitted to become effective immediately under rule 62(d).

IT IS ORDERED, under rule 62 under the Act, that the portion of the Application regarding the proposed solicitation of proxies from PNM Resources' shareholders become effective immediately, subject to the terms and conditions contained in rule 24 under the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland
Deputy Secretary

¹ PNM Resources' obligation to issue, and Cascade's obligation to purchase, the Units are not dependent on shareholder approval of the amendment.