



September 30, 2011

Via email to comments@pcaobus.org

Office of the Secretary
Public Corporation Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C 20006-2803

Re: Concept Release on Possible Revisions to PCAOB Standards Related to Audit Reports on Audited Financial Statements; PCAOB Rulemaking Docket Matter No. 34

Dear Office of the Secretary:

PNM Resources, Inc. appreciates the opportunity to respond to the Concept Release proposed by the PCAOB.

PNM Resources, Inc. is a diversified energy company in the United States with approximately \$5.3 billion of assets, \$1.6 billion in annual revenues, and a market capitalization in excess of \$1.4 billion. Our subsidiaries and affiliates are involved in the generation, transmission and distribution of electricity, as well as energy management and other energy-related services primarily in New Mexico and Texas.

We appreciate the PCAOB's efforts to enhance the current auditor's reporting model. We believe that there may be some room for improvement within the current auditor's reporting model that would help to clarify the purpose of an audit and the auditor's responsibility; however, providing information about the company, including financial information, is management's responsibility, and not the auditors. The PCAOB states in the Concept Release that these proposals are being made as a result of requests by the investment community to provide more information; however we have not experienced additional requests from our investors for additional information or an expansion in auditor communications. We believe that providing significant additional information in the auditor's report would greatly increase costs and little or no perceived benefit will be achieved.

Auditor's Discussion and Analysis (AD&A)

We are opposed to the AD&A as an alternative to strengthen the current auditor's reporting model. It is our belief that the financial statements are the responsibility of the company's management, and that any additional information that is deemed necessary to be provided to investors should be provided by management and not auditors. We are concerned that significant effort by the auditors would be required to prepare an AD&A. In addition, there would be significant effort by management of the company, as well as its audit committee. The additional review process and time involved by both the auditors and management will significantly increase costs of completing any reports that require an auditor's review. The additional time

required to complete and review the AD&A may also jeopardize the already compressed Securities and Exchange Commission (SEC) filing deadlines.

Emphasis Paragraphs in Auditor's Reports

We do not support a requirement to include additional emphasis paragraphs in the standard audit report, especially since auditing standards currently provide guidance on emphasis paragraphs. We believe that additional emphasis paragraphs will become "standard or boilerplate" that will not be meaningful and will not add additional value to the current audit report. It is our belief that the current auditors reporting model for the inclusion of emphasis paragraphs is functioning adequately and provides the auditors the opportunity to disclose additional significant information in the report as they determine to be appropriate.

Auditor Assurance of Information Outside the Financial Statements

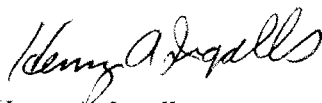
We do not support expanding the auditor's regular attestation function beyond the financial statements. Currently, auditing standards require the auditor to review information outside of the financial statements for reasonableness and consistency with the financial statements. Requiring auditors to audit the information outside of the financial statements would only increase the audit fees and would add very little benefit to investors. Additionally, requiring auditors to attest to the information outside of the financial statements will make meeting required filing deadlines more difficult to attain due to the significant expansion of audit procedures. The nature of much of the information outside the financial statements is such that appropriate audit procedures can only be performed shortly before a document is filed rather than being subject to interim auditing.

Clarification of the Standard Auditor's Report

We do not have any objection with additions to the auditor's report to clarify terms or the auditor's existing responsibilities. We believe this could be accomplished without significant effort or cost. However, we believe that the clarifications should be standardized in the audit report guidance, written in "plain english" and should not be so prominent in the report that the clarifications distract from the purpose of the audit report.

As set forth above, we do not support the proposal made surrounding an AD&A, additional emphasis paragraphs, and requiring auditors to attest to information outside of the financial statements. We believe that these additional requirements would significantly increase audit fees with little to no perceived benefit. It is also our belief that the proposed requirements would be extremely difficult, if not impossible, to complete within the already compressed filing requirements of the SEC.

Sincerely,



Henry A. Ingalls
Director, SEC Reporting and GAAP Analysis
PNM Resources, Inc.