

August 30, 2013

Ms. Susan Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116
Email: director@fasb.org

Re: File Reference No. 2013-230: Proposed Accounting Standards Update, Presentation of Financial Statements (Topic 205) – Reporting Discontinued Operations

Dear Ms. Cosper:

PNM Resources, Inc. appreciates the opportunity to respond to the Proposed Accounting Standards Update, *Presentation of Financial Statements (Topic 205) – Reporting Discontinued Operations* (the "ED").

PNM Resources, Inc. is a diversified energy company in the United States with approximately \$5.4 billion of assets, \$1.4 billion in annual revenues, and \$1.8 billion in market capitalization. Our subsidiaries and affiliates are involved in the generation, transmission and distribution of electricity and other energy-related services primarily in New Mexico and Texas.

Overall, we support the stated objective of the Financial Accounting Standards Board ("FASB") of modifying the presentation of financial statements to be more decision useful for users and in lowering costs for preparers as it relates to reporting discontinued operations. Additionally, we support the main provisions described in the ED, the proposed amendments to ASC 205 to achieve FASB's stated objective, and agree with the positions set for in the Questions for Respondents in the ED, except as noted below.

Question 2: We are not convinced that removing the continuing involvement criteria in its entirety is proper. There are circumstances in which the continuing involvement is so significant that treating the disposal as discontinued operations would not present an accurate picture of the remaining enterprise. Rather than eliminating the continuing involvement criteria completely, we recommend that the FASB provide additional guidance that will better define the circumstances in which continued involvement would suggest a disposal be treated as discontinued operations and the circumstances where it would not be. In circumstances where a disposal is not treated as discontinued operations, additional quantitative disclosures could be required that would enable users of financial statements to better assess the impacts of the disposal.

Question 5: We do not believe that disclosure of the operating, investing, and financing cash flows of a discontinued operation under 205-20-50-1A, 205-20-50-4, and 230-10-45-24A is justified. The benefits of these disclosures will be minimal. In circumstances where there is continuing involvement with the disposal group the determination of such cash flow information will be subject to divergent interpretations and could be misleading. In addition, the cost of developing these disclosures does not justify the costs.

Other Comments:

Question 7: We strongly believe the prospective application of the amended guidance is particularly appropriate as the costs of retrospective application would significantly outweigh the benefits. This is especially true in light of the SEC's requirement to furnish comparative financial data for the last five fiscal years of the registrant in Item 6 of Form 10-K, as outlined in Reg. S-K (Item 301).

Question 8: It does not appear that a significant amount of time would be required to implement a final standard provided that it is applied prospectively as set forth in the ED. However, if prospective application is not retained in a final standard, the amount of time to implement the standard would be significantly impacted and the effective date would need to be delayed. In addition, the cash flow disclosures addressed in response to Question 5 discussed above may be difficult and time consuming to accumulate. If the cash flow disclosures are retained in a final standard, adequate time will need to be allowed for systems and processes to be changed to enable those disclosures to be accurately developed.

Again, we appreciate the opportunity to comment on the ED.

Sincerely,

PNM Resources, Inc.

Henry A Ingalls

Director, SEC Reporting and GAAP Analysis