

2005

Reconciliation of Ongoing Earnings to GAAP Net Earnings
For the Year Ended December 31, 2005
(in \$ millions)

	PNM Gas	PNM Electric	Wholesale		TNMP	FCP	EnergyCo	Corp/Other		PNMR
			PNM Wholesale	Altura				PNM Corp/Other	PNMR Corp/Other	
Ongoing Earnings - Previous Segments	\$11,624	\$39,884	\$10,296	\$0	\$18,606	\$28,868	\$0	\$7,779	(\$14,712)	\$102,345
Electric Segment Changes										
Combine PNM Electric (Retail) and PNM Wholesale		10,296	(10,296)							0
Reclass PNM Corporate/Other	751	7,028						(7,779)		0
After Electric Segment Changes	12,375	57,208	0	0	18,606	28,868	0	0	(14,712)	102,345
	PNM Gas	PNM Electric	Altura	TNMP	FCP	EnergyCo		PNMR Corp/Other	PNMR	
	12,375	57,208	0	18,606	28,868	0		(14,712)	102,345	
Corporate items allocated to PNM Gas that are not considered discontinued operations under GAAP:	4,959	(4,959)	0	0	0	0		0	0	
Ongoing Earnings	17,334	52,249	0	18,606	28,868	0		(14,712)	102,345	
Non-Recurring Items										
Refinancing								(5,106)	(5,106)	
Acquisition Integration Costs	(1,610)	(3,665)		(775)	(328)			(3,676)	(10,054)	
Software Write-Off		(2,690)							(2,690)	
Regulatory Liability		(1,399)							(1,399)	
Turbine Write-Down		(9,036)							(9,036)	
Private Equity Units								(7,315)	(7,315)	
Economic Mark-to-Market		112							112	
Total Non-Recurring Items	(1,610)	(16,678)	0	(775)	(328)	0		(16,097)	(35,488)	
GAAP Earnings from Continuing Operations		35,571	0	17,831	28,540	0		(30,809)	51,133	
GAAP Earnings from Discontinued Operations	15,724								15,724	
Cumulative Effect of Change in Accounting Principle	(88)	(417)		(381)				(40)	(926)	
GAAP Net Earnings	\$15,636	\$35,154	\$0	\$17,450	\$28,540	\$0		(\$30,849)	\$65,931	