

2007 EPS

Reconciliation of Ongoing Earnings Per Share to GAAP Net Earnings Per Share
For the Year Ended December 31, 2007

	PNM Gas	PNM Electric	Wholesale		TNMP	FCP	EnergyCo	Corp/Other		PNMR
			PNM Wholesale	Altura				PNM Corp/Other	PNMR Corp/Other	
Ongoing Earnings - Previous Segments	\$0.13	\$0.47	\$0.05	\$0.09	\$0.24	\$0.34	\$0.06	\$0.01	(\$0.31)	\$1.08
Electric Segment Changes										
Combine PNM Electric (Retail) and PNM Wholesale		0.05	(0.05)							0.00
Reclass PNM Corporate/Other	(0.00)	0.01						(0.01)		0.00
After Electric Segment Changes	0.13	0.53	0.00	0.09	0.24	0.34	0.06	0.00	(0.31)	1.08
	PNM Gas	PNM Electric	Altura	TNMP	FCP	EnergyCo	PNM Corp/Other	PNMR Corp/Other	PNMR	
	0.13	0.53	0.09	0.24	0.34	0.06		(0.31)	1.08	
Corporate items allocated to PNM Gas that are not considered discontinued operations under GAAP:	0.08	(0.08)	0.00	0.00	0.00	0.00		0.00	0.00	
Ongoing Earnings	0.21	0.45	0.09	0.24	0.34	0.06		(0.31)	1.08	
Non-Recurring Items										
Favorable Tax Decisions		0.06						0.21		0.27
Twin Oaks III Impairment			(0.03)							(0.03)
Business Improvement Plan	(0.01)	(0.03)		(0.01)				(0.07)		(0.12)
Loss on Altura Contribution								(0.03)		(0.03)
Sale of Turbine		0.03								0.03
Afton Write-Down		(0.15)								(0.15)
JV Formation Costs								(0.02)		(0.02)
Economic Mark-to-Market		(0.06)			0.01					(0.05)
Total Non-Recurring Items	(0.01)	(0.15)	(0.03)	(0.01)	0.01	0.00		0.09		(0.10)
GAAP Earnings from Continuing Operations	0.20	0.30	0.06	0.23	0.35	0.06		(0.22)		0.78
GAAP Earnings from Discontinued Operations										0.20
GAAP Net Earnings	\$0.20	\$0.30	\$0.06	\$0.23	\$0.35	\$0.06		(\$0.22)		\$0.98

Average Diluted Shares Outstanding

77,928