

2007 Regulated Returns
(in \$ millions, except percentages)
Preliminary and Unaudited

	FY 2007
PNM Electric	
Regulated ongoing earnings ⁽¹⁾	\$35.8
Rate base	\$1,404.0
Capital structure (common equity percentage)	51.4%
	\$721.2
PNM Electric Regulated Return	5.0%
 PNM Gas	
Regulated ongoing earnings ⁽¹⁾	\$10.1
Rate base	\$377.3
Capital structure (common equity percentage)	51.8%
	\$195.4
PNM Gas Regulated Return	5.2%
 TNMP Electric	
Regulated ongoing earnings ⁽¹⁾	\$18.9
Less recovery of stranded costs, net of amortization and tax ⁽²⁾	(\$7.9)
Regulated ongoing earnings, as adjusted	\$11.0
Rate base	\$411.5
Capital structure (common equity percentage)	40.0%
	\$164.6
TNMP Regulated Return	6.7%

⁽¹⁾ For regulated ongoing earnings for PNM Electric, PNM Gas and TNMP Electric, refer to the presentation of the non-GAAP measure "Ongoing Earnings", which included a reconciliation of these numbers to GAAP segment earnings.

⁽²⁾ TNMP regulated ongoing earnings are adjusted to remove the amount of after-tax earnings related to the recovery of stranded costs, as this amount relates to prior periods and is not included in rate base.