

Reconciliation of GAAP net earnings to Ongoing EBITDA (Earnings Before Interest Charges, Income Taxes, Depreciation and Amortization) by segment

Preliminary and Unaudited

(in \$ millions)

	Quarter Ended March 31, 2008						
	<u>PNM Electric</u>	<u>TNMP Electric</u>	<u>PNM Gas</u>	<u>First Choice</u>	<u>EnergyCo</u>	<u>Corporate & Other</u>	<u>PNMR Consolidated</u>
Net Earnings (GAAP)	(\$27.1)	\$3.7	\$22.5	(\$24.1)		(\$23.6)	(\$48.6)
EBIDTA Adjustments:							
Interest charges	14.1	5.0	3.0	0.3		8.4	30.8
Income taxes	(17.1)	2.3	13.7	(12.8)		(14.5)	(28.4)
Depreciation and amortization	21.0	8.4	0.0	0.5		4.1	34.0
Total Adjustments	<u>18.0</u>	<u>15.7</u>	<u>16.7</u>	<u>(12.0)</u>		<u>(2.0)</u>	<u>36.4</u>
Non-recurring charges	29.8	0.0	0.0	0.0		2.4	32.2
Other than temporary impairment of NDT securities	2.0	0.0	0.0	0.0		0.0	2.0
Speculative trading	0.0	0.0	0.0	47.1		1.2	48.3
Net unrealized mark-to-market on economic hedges	(10.9)	0.0	(0.1)	(6.3)		23.6	6.3
Ongoing EBITDA	<u>\$11.8</u>	<u>\$19.4</u>	<u>\$39.1</u>	<u>\$4.7</u>		<u>\$1.6</u>	<u>\$76.6</u>

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(in \$ millions)

	Quarter Ended March 31, 2007						
	<u>PNM Electric</u>	<u>TNMP Electric</u>	<u>PNM Gas</u>	<u>Altura</u>	<u>First Choice</u>	<u>EnergyCo</u>	<u>Corporate & Other</u>
Net Earnings (GAAP)	\$14.2	\$0.9	\$14.5	\$1.4	\$5.9		(\$7.2)
EBIDTA Adjustments:							
Interest charges	13.1	7.1	2.9	5.5	0.1		9.1
Income taxes	8.8	0.4	9.5	0.9	3.6		(5.3)
Depreciation and amortization	20.8	7.0	5.6	4.6	0.5		1.9
Total Adjustments	<u>42.7</u>	<u>14.5</u>	<u>18.0</u>	<u>11.0</u>	<u>4.2</u>		<u>5.7</u>
Non-recurring charges	0.0	0.0	0.0	0.0	0.0		1.2
Other than temporary impairment of NDT securities	0.2	0.0	0.0	0.0	0.0		0.0
Speculative trading	0.0	0.0	0.0	0.0	(0.3)		0.0
Net unrealized mark-to-market on economic hedges	(3.5)	0.0	0.2	0.0	2.2		0.0
Ongoing EBITDA	<u>\$53.6</u>	<u>\$15.4</u>	<u>\$32.7</u>	<u>\$12.4</u>	<u>\$12.0</u>		<u>(\$0.3)</u>