

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

Quarter Ended June 30, 2006

	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	Corporate & Other	PNMR Consolidated
Net Earnings Available to Common Shareholders (GAAP)	\$6.8	\$2.8	(\$4.7)	\$5.9	\$13.3	(\$8.1)	\$16.0
EBITDA Adjustments:							
Interest Charges	8.9	7.3	3.1	9.5	0.2	7.5	36.5
Income Tax	4.5	2.1	(3.0)	3.8	7.3	(4.7)	10.0
Depreciation and Amortization	14.3	7.8	6.0	7.2	0.6	2.1	38.0
Total Adjustments	<u>27.7</u>	<u>17.2</u>	<u>6.1</u>	<u>20.5</u>	<u>8.1</u>	<u>4.9</u>	<u>84.5</u>
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	1.8	1.8
Ongoing EBITDA	\$34.5	\$20.0	\$1.4	\$26.4	\$21.4	(\$1.4)	\$102.3

Year-to-Date June 30, 2006

	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	Corporate & Other	PNMR Consolidated
Net Earnings Available to Common Shareholders (GAAP)	\$15.3	\$4.0	\$5.7	\$14.7	\$14.1	(\$11.8)	\$42.0
EBITDA Adjustments:							
Interest Charges	17.5	14.5	6.1	13.4	0.5	13.1	65.1
Income Tax	10.1	2.3	3.8	9.7	7.7	(8.2)	25.4
Depreciation and Amortization	29.3	15.6	11.9	10.3	1.0	4.2	72.3
Total Adjustments	<u>56.9</u>	<u>32.4</u>	<u>21.8</u>	<u>33.4</u>	<u>9.2</u>	<u>9.1</u>	<u>162.8</u>
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	2.7	2.7
Ongoing EBITDA	\$72.2	\$36.4	\$27.5	\$48.1	\$23.3	\$0.0	\$207.5