

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

	Quarter Ended June 30, 2007							Corporate & Other	PNMR Consolidated
	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	EnergyCo			
Net Earnings Available to Common Shareholders (GAAP)	\$5.4	\$4.2	(\$3.2)	\$1.4	\$6.4	\$1.4	\$4.6	\$20.2	
EBITDA Adjustments:									
Interest Charges	9.4	6.9	2.9	6.6	1.0	0.0	3.1	29.9	
Income Tax	3.6	2.0	(2.1)	0.9	3.9	0.9	(24.2)	(15.0)	
Depreciation and Amortization	16.4	7.0	6.1	6.2	0.5	0.0	3.5	39.7	
Total Adjustments	29.4	15.9	6.9	13.7	5.4	0.9	(17.6)	54.6	
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0	
Ongoing EBITDA	\$34.8	\$20.1	\$3.7	\$15.1	\$11.8	\$2.3	(\$3.0)	\$84.8	
	Year-to-Date June 30, 2007								
	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	EnergyCo	Corporate & Other	PNMR Consolidated	
Net Earnings Available to Common Shareholders (GAAP)	\$15.5	\$5.2	\$9.5	\$8.5	\$12.2	\$1.0	(\$2.0)	\$49.9	
EBITDA Adjustments:									
Interest Charges	19.2	13.9	6.0	15.7	1.2	0.0	11.7	67.7	
Income Tax	10.1	2.4	6.3	5.6	7.4	0.6	(29.5)	2.9	
Depreciation and Amortization	32.8	14.0	12.2	13.9	1.0	0.0	6.2	80.1	
Total Adjustments	62.1	30.3	24.5	35.2	9.6	0.6	(11.6)	150.7	
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	0.0	11.3	11.3	
Ongoing EBITDA	\$77.6	\$35.5	\$34.0	\$43.7	\$21.8	\$1.6	(\$2.3)	\$211.9	