

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

Quarter Ended September 30, 2006

	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	Corporate & Other	PNMR Consolidated
Net Earnings Available to Common Shareholders (GAAP)	\$16.8	\$6.0	(\$5.2)	\$17.4	\$15.1	(\$6.6)	\$43.5
EBIDTA Adjustments:							
Interest Charges	9.0	7.3	3.1	12.2	0.2	8.4	40.2
Income Tax	11.1	2.8	(3.4)	11.6	8.3	(5.5)	24.9
Depreciation and Amortization	15.2	8.0	6.1	7.9	0.5	2.2	39.9
Total Adjustments	35.3	18.1	5.8	31.7	9.0	5.1	105.0
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	0.9	0.9
Net Unrealized Mark-to-Market Gains/(Losses)	0.0	0.0	0.0	(0.5)	0.0	0.0	(0.5)
Ongoing EBITDA	\$52.1	\$24.1	\$0.6	\$48.6	\$24.1	(\$0.6)	\$148.9

Nine Months Ended September 30, 2006

	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	Corporate & Other	PNMR Consolidated
Net Earnings Available to Common Shareholders (GAAP)	\$32.1	\$10.0	\$0.6	\$32.2	\$29.2	(\$18.6)	\$85.5
EBIDTA Adjustments:							
Interest Charges	26.6	21.8	9.2	25.6	0.6	21.4	105.2
Income Tax	21.1	5.2	0.3	21.1	16.2	(13.7)	50.2
Depreciation and Amortization	44.5	23.5	17.9	18.2	1.5	6.6	112.2
Total Adjustments	92.2	50.5	27.4	64.9	18.3	14.3	267.6
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	3.7	3.7
Net Unrealized Mark-to-Market Gains/(Losses)	0.0	0.0	0.0	1.5	0.0	0.0	1.5
Ongoing EBITDA	\$124.3	\$60.5	\$28.0	\$98.6	\$47.5	(\$0.6)	\$358.3