

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

Quarter Ended September 30, 2007

	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	EnergyCo	Corporate & Other	PNMR Consolidated
<b>Net Earnings Available to Common Shareholders (GAAP)</b>	\$18.5	\$10.4	(\$4.7)	(\$1.2)	\$2.7	\$6.4	(\$23.7)	\$8.4
<b>EBIDTA Adjustments:</b>								
Interest Charges	9.0	5.8	3.7	3.5	0.6	0.0	12.7	35.3
Income Tax	12.2	5.5	(3.1)	(0.9)	1.8	4.2	(17.7)	2.0
Depreciation and Amortization	16.4	7.1	5.9	3.1	0.5	0.0	3.7	36.7
<b>Total Adjustments</b>	<b>37.6</b>	<b>18.4</b>	<b>6.5</b>	<b>5.7</b>	<b>2.9</b>	<b>4.2</b>	<b>(1.3)</b>	<b>74.0</b>
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	0.0	29.3	29.3
Net Unrealized Mark-to-Market Gains/(Losses)	0.0	0.0	0.3	8.6	0.6	0.0	0.0	9.5
<b>Ongoing EBITDA</b>	<b>\$56.1</b>	<b>\$28.8</b>	<b>\$2.1</b>	<b>\$13.1</b>	<b>\$6.2</b>	<b>\$10.6</b>	<b>\$4.3</b>	<b>\$121.2</b>

Nine Months Ended September 30, 2007

	PNM Electric	TNMP Electric	PNM Gas	Wholesale	First Choice	EnergyCo	Corporate & Other	PNMR Consolidated
<b>Net Earnings Available to Common Shareholders (GAAP)</b>	\$34.1	\$15.6	\$4.8	\$7.2	\$15.0	\$7.3	(\$25.7)	\$58.3
<b>EBIDTA Adjustments:</b>								
Interest Charges	28.2	19.7	9.7	19.3	1.8	0.0	24.3	103.0
Income Tax	22.3	8.0	3.1	4.8	9.2	4.9	(47.4)	4.9
Depreciation and Amortization	49.2	21.1	18.1	17.0	1.4	0.0	10.1	116.9
<b>Total Adjustments</b>	<b>99.7</b>	<b>48.8</b>	<b>30.9</b>	<b>41.1</b>	<b>12.4</b>	<b>4.9</b>	<b>(13.0)</b>	<b>224.8</b>
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.0	0.0	40.5	40.5
Net Unrealized Mark-to-Market Gains/(Losses)	0.0	0.0	(0.2)	15.4	(0.8)	0.0	0.0	14.4
<b>Ongoing EBITDA</b>	<b>\$133.8</b>	<b>\$64.4</b>	<b>\$35.5</b>	<b>\$63.7</b>	<b>\$26.6</b>	<b>\$12.2</b>	<b>\$1.8</b>	<b>\$338.0</b>