

**PNM Resources**  
**2009 Reconciliation of Ongoing to GAAP Earnings**  
**(Preliminary and Unaudited)**

Three Months Ended March 31, 2009  
(in thousands)

	Utilities			First Choice	Optim Energy (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
<b>Ongoing Earnings (Loss)</b>	\$ (84)	\$ 1,421	\$ 7,621	\$ 6,760	\$ (1,986)	\$ (4,456)	\$ 9,276
<b>Non-Recurring Items</b>							
Business improvement plan	(320)	-	-	-	-	350	30
Depreciation on gas assets	-	-	1,112	-	-	-	1,112
Cap Rock Energy acquisition termination agreement	-	-	-	-	-	9,062	9,062
Economic mark-to-market hedges	(3,554)	-	-	278	2,829	-	(447)
Gain on reacquired debt	-	-	-	-	-	4,493	4,493
Gain on sale of PNM Gas	-	-	72,942	-	-	-	72,942
Unrealized impairments of NDT securities	(1,097)	-	-	-	-	-	(1,097)
<b>Total Non-Recurring Items</b>	<b>(4,971)</b>	<b>-</b>	<b>74,054</b>	<b>278</b>	<b>2,829</b>	<b>13,905</b>	<b>86,095</b>
<b>GAAP Earnings (Loss) from Continuing Operations</b>	<b>(5,055)</b>	<b>1,421</b>		<b>7,038</b>	<b>843</b>	<b>9,449</b>	<b>13,696</b>
<b>GAAP Earnings from Discontinued Operations</b>			<b>81,675</b>				<b>81,675</b>
<b>GAAP Net Earnings (Loss)</b>	<b>\$ (5,055)</b>	<b>\$ 1,421</b>	<b>\$ 81,675</b>	<b>\$ 7,038</b>	<b>\$ 843</b>	<b>\$ 9,449</b>	<b>\$ 95,371</b>

Three Months Ended March 31, 2009  
(earnings per diluted share)

	Utilities			First Choice	Optim Energy (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
<b>Ongoing Earnings (Loss)</b>	\$ (0.00)	\$ 0.02	\$ 0.08	\$ 0.07	\$ (0.02)	\$ (0.05)	\$ 0.10
<b>Non-Recurring Items</b>							
Business improvement plan	-	-	-	-	-	-	-
Depreciation on gas assets	-	-	0.01	-	-	-	0.01
Cap Rock Energy acquisition termination agreement	-	-	-	-	-	0.10	0.10
Economic mark-to-market hedges	(0.04)	-	-	-	0.03	-	(0.01)
Gain on reacquired debt	-	-	-	-	-	0.05	0.05
Gain on sale of PNM Gas	-	-	0.80	-	-	-	0.80
Unrealized impairments of NDT securities	(0.01)	-	-	-	-	-	(0.01)
<b>Total Non-Recurring Items</b>	<b>(0.05)</b>	<b>-</b>	<b>0.81</b>	<b>-</b>	<b>0.03</b>	<b>0.15</b>	<b>0.94</b>
<b>GAAP Earnings (Loss) from Continuing Operations</b>	<b>(0.05)</b>	<b>0.02</b>		<b>0.07</b>	<b>0.01</b>	<b>0.10</b>	<b>0.15</b>
<b>GAAP Earnings from Discontinued Operations</b>			<b>0.89</b>				<b>0.89</b>
<b>GAAP Net Earnings (Loss)</b>	<b>\$ (0.05)</b>	<b>\$ 0.02</b>	<b>\$ 0.89</b>	<b>\$ 0.07</b>	<b>\$ 0.01</b>	<b>\$ 0.10</b>	<b>\$ 1.04</b>

Average Diluted Shares Outstanding: 91,422,697

**PNM Resources**  
**2008 Reconciliation of Ongoing to GAAP Earnings**  
**(Preliminary and Unaudited)**

Three Months Ended March 31, 2008

(in thousands)

	Utilities			First Choice	Optim Energy (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
<b>Ongoing Earnings (Loss)</b>	\$ (14,440)	\$ 3,730	\$ 19,290	\$ 2,155	\$ (179)	\$ (7,070)	\$ 3,486
<b>Non-Recurring Items</b>							
Business improvement plan	241		(8)			(1,469)	(1,236)
Depreciation on gas assets			3,182				3,182
Speculative trading				(30,284)	(735)		(31,019)
Unrealized impairments of NDT securities	(1,202)						(1,202)
Regulatory disallowances	(18,273)						(18,273)
Economic mark-to-market hedges	6,565		35	4,065	(14,239)		(3,574)
<b>Total Non-Recurring Items</b>	<b>(12,669)</b>	<b>-</b>	<b>3,209</b>	<b>(26,219)</b>	<b>(14,974)</b>	<b>(1,469)</b>	<b>(52,122)</b>
<b>GAAP Earnings (Loss) from Continuing Operations</b>	<b>(27,109)</b>	<b>3,730</b>		<b>(24,064)</b>	<b>(15,153)</b>	<b>(8,539)</b>	<b>(71,135)</b>
<b>GAAP Earnings from Discontinued Operations</b>			<b>22,499</b>				<b>22,499</b>
<b>GAAP Net Earnings (Loss)</b>	<b>\$ (27,109)</b>	<b>\$ 3,730</b>	<b>\$ 22,499</b>	<b>\$ (24,064)</b>	<b>\$ (15,153)</b>	<b>\$ (8,539)</b>	<b>\$ (48,636)</b>

Three Months Ended March 31, 2008

(earnings per diluted share)

	Utilities			First Choice	Optim Energy (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
<b>Ongoing Earnings (Loss)</b>	\$ (0.19)	\$ 0.05	\$ 0.25	\$ 0.03	\$ -	\$ (0.09)	\$ 0.05
<b>Non-Recurring Items</b>							
Business improvement plan	0.01					(0.03)	(0.02)
Depreciation on gas assets			0.05				0.05
Speculative trading				(0.39)	(0.01)		(0.40)
Unrealized impairments of NDT securities	(0.02)						(0.02)
Regulatory disallowances	(0.24)						(0.24)
Economic mark-to-market hedges	0.09			0.05	(0.19)		(0.05)
<b>Total Non-Recurring Items</b>	<b>(0.16)</b>	<b>-</b>	<b>0.05</b>	<b>(0.34)</b>	<b>(0.20)</b>	<b>(0.03)</b>	<b>(0.68)</b>
<b>GAAP Earnings (Loss) from Continuing Operations</b>	<b>(0.35)</b>	<b>0.05</b>		<b>(0.31)</b>	<b>(0.20)</b>	<b>(0.12)</b>	<b>(0.93)</b>
<b>GAAP Earnings from Discontinued Operations</b>			<b>0.30</b>				<b>0.30</b>
<b>GAAP Net Earnings (Loss)</b>	<b>\$ (0.35)</b>	<b>\$ 0.05</b>	<b>\$ 0.30</b>	<b>\$ (0.31)</b>	<b>\$ (0.20)</b>	<b>\$ (0.12)</b>	<b>\$ (0.63)</b>

Average Shares Outstanding (Basic and Diluted): 76,849,717