

**PNM Resources**  
**Schedule 1**  
**2008 Reconciliation of Ongoing to GAAP Earnings**  
(\$ in Thousands)  
(Unaudited)

	Utilities			FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
<b>Ongoing Earnings</b>	<b>(\$14,440)</b>	<b>\$3,730</b>	<b>\$19,290</b>	<b>\$2,155</b>	<b>(\$179)</b>	<b>(\$7,070)</b>	<b>\$3,486</b>
<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)
Other than temporary 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 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</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>

\* \$8,338 of First Choice Power's speculative trading losses is realized and \$21,946 is unrealized.

**PNM Resources**  
**Schedule 2**  
**2007 Reconciliation of Ongoing to GAAP Earnings**  
(\$ in Thousands)  
(Unaudited)

	Utilities			Altura	FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas					
<b>Ongoing Earnings</b>	\$12,261	\$938	\$14,647	\$1,442	\$7,133	(\$400)	(\$6,203)	\$29,818
<b>Non-Recurring Items</b>								
EnergyCo formation costs							(742)	(742)
Speculative trading					166			166
Other than temporary impairment of NDT securities	(145)							(145)
Economic mark-to-market hedges	2,110		(125)		(1,416)			569
<b>Total Non-Recurring Items</b>	<b>1,965</b>	<b>-</b>	<b>(125)</b>	<b>-</b>	<b>(1,250)</b>	<b>-</b>	<b>(742)</b>	<b>(152)</b>
<b>GAAP Earnings from Continuing Operations</b>	<b>14,226</b>	<b>938</b>		<b>1,442</b>	<b>5,883</b>	<b>(400)</b>	<b>(6,945)</b>	<b>15,144</b>
<b>GAAP Earnings from Discontinued Operations</b>			<b>14,522</b>					<b>14,522</b>
<b>GAAP Net Earnings</b>	<b>\$14,226</b>	<b>\$938</b>	<b>\$14,522</b>	<b>\$1,442</b>	<b>\$5,883</b>	<b>(\$400)</b>	<b>(\$6,945)</b>	<b>\$29,666</b>

**PNM Resources**  
**Schedule 3:**  
**2008 Reconciliation of Ongoing to GAAP Earnings Per Share**  
**(Unaudited)**

	Utilities			FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas				
<b>Ongoing Earnings</b>	<b>(\$0.19)</b>	<b>\$0.05</b>	<b>\$0.25</b>	<b>\$0.03</b>	<b>\$0.00</b>	<b>(\$0.09)</b>	<b>\$0.05</b>
<b>Non-Recurring Items</b>							
Business Improvement Plan	0.01					(0.02)	(0.01)
Depreciation on gas assets			0.04				0.04
Speculative trading				(0.39)	(0.01)		(0.40)
Other than temporary 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>0.00</b>	<b>0.04</b>	<b>(0.34)</b>	<b>(0.20)</b>	<b>(0.02)</b>	<b>(0.68)</b>
<b>GAAP Earnings from Continuing Operations</b>	<b>(0.35)</b>	<b>0.05</b>		<b>(0.31)</b>	<b>(0.20)</b>	<b>(0.11)</b>	<b>(0.92)</b>
<b>GAAP Earnings from Discontinued Operations</b>			<b>0.29</b>				<b>0.29</b>
<b>GAAP Net Earnings</b>	<b>(\$0.35)</b>	<b>\$0.05</b>	<b>\$0.29</b>	<b>(\$0.31)</b>	<b>(\$0.20)</b>	<b>(\$0.11)</b>	<b>(\$0.63)</b>
Average Diluted Shares Outstanding: 76,947,603							

\* \$0.11 per diluted share of First Choice Power's speculative trading losses is realized and \$0.28 per diluted share is unrealized.

**PNM Resources**  
**Schedule 4:**  
**2007 Reconciliation of Ongoing to GAAP Earnings per Share**  
(Unaudited)

	Utilities			Altura	FCP	EnergyCo (50%)	Corp/ Other	PNMR
	PNM Electric	TNMP Electric	PNM Gas					
<b>Ongoing Earnings</b>	<b>\$0.16</b>	<b>\$0.01</b>	<b>\$0.19</b>	<b>\$0.02</b>	<b>\$0.09</b>	<b>(\$0.01)</b>	<b>(\$0.08)</b>	<b>\$0.38</b>
<b>Non-Recurring Items</b>								
EnergyCo formation costs							(0.01)	(0.01)
Speculative trading					0.00			0.00
Other than temporary impairment of NDT securities	0.00							0.00
Economic mark-to-market hedges	0.02				(0.01)			0.01
<b>Total Non-Recurring Items</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.01)</b>	<b>0.00</b>	<b>(0.01)</b>	<b>0.00</b>
<b>GAAP Earnings from Continuing Operations</b>	<b>0.18</b>	<b>0.01</b>		<b>0.02</b>	<b>0.08</b>	<b>(0.01)</b>	<b>(0.09)</b>	<b>0.19</b>
<b>GAAP Earnings from Discontinued Operations</b>			<b>0.19</b>					<b>0.19</b>
<b>GAAP Net Earnings</b>	<b>\$0.18</b>	<b>\$0.01</b>	<b>\$0.19</b>	<b>\$0.02</b>	<b>\$0.08</b>	<b>(\$0.01)</b>	<b>(\$0.09)</b>	<b>\$0.38</b>

Average Diluted Shares Outstanding:78,099,034

**PNM Resources**  
**Schedule 5:**  
**2008 First Quarter Reconciliation of EnergyCo GAAP Net Income to Ongoing EBITDA**  
**(\$ in Thousands)**  
(Unaudited)

Calculation of EnergyCo Ongoing EBITDA		
GAAP Net Income	\$	(51,006)
Adjustments (add back):		
Purchase accounting contract amortizations		2,806
Losses on forward mark on economic hedges		47,142
Depreciation and amortization expense		7,569
Losses on speculative trading		2,432
Interest expense		6,568
Income tax		(383)
Ongoing EnergyCo EBITDA		<u>15,128</u>
50 percent of EBITDA (PNMR share)	<u>\$</u>	<u>7,564</u>

