

Q4 2006

Reconciliation of Ongoing Earnings to GAAP Net Earnings
For the Quarter Ended December 31, 2006
(in \$ millions)

	PNM Gas	PNM Electric	Wholesale		TNMP	FCP	EnergyCo	Corp/Other		PNMR
			PNM Wholesale	Altura				PNM Corp/Other	PNMR Corp/Other	
Ongoing Earnings - Previous Segments	\$5,404	\$6,865	\$3,770	\$6,412	\$5,717	\$12,179	\$0	\$2,946	(\$6,564)	\$36,729
Electric Segment Changes										
Combine PNM Electric (Retail) and PNM Wholesale		3,770	(3,770)							0
Reclass PNM Corporate/Other	80	2,866						(2,946)		0
After Electric Segment Changes	5,484	13,501	0	6,412	5,717	12,179	0	0	(6,564)	36,729
	PNM Gas	PNM Electric	Altura	TNMP	FCP	EnergyCo		PNMR Corp/Other	PNMR	
	5,484	13,501	6,412	5,717	12,179	0		(6,564)	36,729	
Corporate items allocated to PNM Gas that are not considered discontinued operations under GAAP:	2,096	(2,096)	0	0	0	0		0	0	
Ongoing Earnings	7,580	11,405	6,412	5,717	12,179	0		(6,564)	36,729	
Non-Recurring Items										
Acquisition Integration Costs					(524)			101	(423)	
JV Formation Costs								(2,079)	(2,079)	
Economic Mark-to-Market		1,086							1,086	
Total Non-Recurring Items		1,086			(524)			(1,978)	(1,416)	
GAAP Earnings from Continuing Operations		12,491	6,412	5,717	11,655	0		(8,542)	27,733	
GAAP Earnings from Discontinued Operations	7,580								7,580	
GAAP Net Earnings	\$7,580	\$12,491	\$6,412	\$5,717	\$11,655	\$0		(\$8,542)	\$35,313	