

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

Preliminary and Unaudited

(in \$ millions)

**Quarter Ended December 31, 2006**

	<b>PNM Electric</b>	<b>TNMP Electric</b>	<b>PNM Gas</b>	<b>Altura</b>	<b>First Choice</b>	<b>Corporate &amp; Other</b>	<b>PNMR Consolidated</b>
<b>Net Earnings (GAAP)</b>	\$12.5	\$5.7	\$7.6	\$6.4	\$11.7	(\$8.6)	\$35.3
<b>EBIDTA Adjustments:</b>							
Interest Charges	12.1	7.1	3.1	7.0	0.2	10.8	40.3
Income Taxes	3.1	2.2	4.7	4.2	6.5	(6.9)	13.8
Depreciation and Amortization	19.7	8.1	5.4	4.6	0.5	1.8	40.1
<b>Total Adjustments</b>	<b>34.9</b>	<b>17.4</b>	<b>13.2</b>	<b>15.8</b>	<b>7.2</b>	<b>5.7</b>	<b>94.2</b>
Non-Recurring Charges	0.0	0.0	0.0	0.0	0.7	3.3	4.0
Net Unrealized Mark-to-Market Gains/Losses	(1.8)	0.0	0.0	0.0	0.0	0.0	(1.8)
<b>Ongoing EBITDA</b>	<b>\$45.6</b>	<b>\$23.1</b>	<b>\$20.8</b>	<b>\$22.2</b>	<b>\$19.6</b>	<b>\$0.4</b>	<b>\$131.7</b>

**Year Ended December 31, 2006**

	<b>PNM Electric</b>	<b>TNMP Electric</b>	<b>PNM Gas</b>	<b>Altura</b>	<b>First Choice</b>	<b>Corporate &amp; Other</b>	<b>PNMR Consolidated</b>
<b>Net Earnings (GAAP)</b>	\$57.6	\$15.7	\$12.9	\$23.9	\$40.0	(\$29.3)	\$120.8
<b>EBIDTA Adjustments:</b>							
Interest Charges	47.1	28.9	11.4	20.9	0.8	36.4	145.5
Income Taxes	31.5	7.4	8.4	15.7	22.1	(21.2)	63.9
Depreciation and Amortization	78.0	31.6	21.6	13.1	2.0	6.0	152.3
<b>Total Adjustments</b>	<b>156.6</b>	<b>67.9</b>	<b>41.4</b>	<b>49.7</b>	<b>24.9</b>	<b>21.2</b>	<b>361.7</b>
Non-Recurring Charges	0.0	0.0	0.0	0.0	2.2	5.6	7.8
Net Unrealized Mark-to-Market Gains/Losses	(0.3)	0.0	0.0	0.0	0.0	0.0	(0.3)
<b>Ongoing EBITDA</b>	<b>\$213.9</b>	<b>\$83.6</b>	<b>\$54.3</b>	<b>\$73.6</b>	<b>\$67.1</b>	<b>(\$2.5)</b>	<b>\$490.0</b>