

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, 2007

	PNM Electric	TNMP Electric	PNM Gas	Altura	First Choice	EnergyCo	Corporate & Other	PNMR Consolidated
Net Earnings (GAAP)	\$7.0	\$3.0	\$5.9	\$0.0	\$12.2	(\$2.8)	(\$7.2)	\$18.1
EBIDTA Adjustments:								
Interest Charges	13.8	5.4	2.5	0.0	(1.0)	0.0	8.7	29.4
Income Taxes	2.2	2.8	3.9	0.0	5.8	(1.8)	(4.8)	8.1
Depreciation and Amortization	21.0	9.3	5.3	0.0	0.5	0.0	4.4	40.5
Total Adjustments	37.0	17.5	11.7	0.0	5.3	(1.8)	8.3	78.0
Non-Recurring Charges	(12.5)	0.5	1.4	0.0	0.0	0.0	1.5	(9.1)
Net Unrealized Mark-to-Market Gains/Losses	(8.0)	0.0	0.3	0.0	0.2	0.0	0.0	(7.5)
Ongoing EBITDA	\$23.5	\$21.0	\$19.3	\$0.0	\$17.7	(\$4.6)	\$2.6	\$79.5

Year Ended December 31, 2007

	PNM Electric	TNMP Electric	PNM Gas	Altura	First Choice	EnergyCo	Corporate & Other	PNMR Consolidated
Net Earnings (GAAP)	\$23.3	\$18.4	\$15.5	\$5.2	\$27.2	\$4.6	(\$17.9)	\$76.3
EBIDTA Adjustments:								
Interest Charges	52.7	25.2	12.2	8.5	0.8	0.0	33.0	132.4
Income Taxes	11.6	10.6	10.4	3.4	14.9	3.0	(40.8)	13.1
Depreciation and Amortization	83.2	30.4	21.6	7.7	1.9	0.0	12.5	157.3
Total Adjustments	147.5	66.2	44.2	19.6	17.6	3.0	4.7	302.8
Non-Recurring Charges	11.1	0.8	1.5	3.4	0.0	0.0	14.8	31.6
Net Unrealized Mark-to-Market Gains/Losses	7.5	0.0	0.0	0.0	(0.6)	0.0	0.0	6.9
Ongoing EBITDA	\$189.4	\$85.4	\$61.2	\$28.2	\$44.2	\$7.6	\$1.6	\$417.6