

**PNM Resources**  
**Schedule 1**  
**2008 Reconciliation of Ongoing to GAAP Earnings**  
(Preliminary and Unaudited)

**Three Months Ended September 30, 2008**

(in thousands)

|  | Utilities        |                  |                   | FCP                | EnergyCo<br>(50%) | Corp/<br>Other     | PNMR              |
|--|------------------|------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
|  | PNM<br>Electric  | TNMP<br>Electric | PNM Gas           |                    |                   |                    |                   |
| <b>Ongoing Earnings (Loss)</b>                           | <b>\$ 28,650</b> | <b>\$ 8,235</b>  | <b>\$ (4,184)</b> | <b>\$ (3,015)</b>  | <b>\$ 242</b>     | <b>\$ (6,287)</b>  | <b>\$ 23,641</b>  |
| <b>Non-Recurring Items</b>                               |                  |                  |                   |                    |                   |                    |                   |
| Acquisition/Divestiture                                  | (339)            | -                | (4)               | -                  | -                 | (3,055)            | (3,398)           |
| Business Improvement Plan                                | (116)            | (142)            | (68)              | -                  | -                 | (1,966)            | (2,292)           |
| Economic mark-to-market hedges                           | (9,378)          | -                | 342               | (6,287)            | 8,543             | -                  | (6,780)           |
| Depreciation on gas assets                               | -                | -                | 3,276             | -                  | -                 | -                  | 3,276             |
| Impairment of intangible assets                          | -                | -                | -                 | (7,316)            | (97)              | -                  | (7,413)           |
| Speculative trading                                      | -                | -                | -                 | 82                 | 1                 | -                  | 83                |
| Unrealized impairments of NDT securities                 | (3,015)          | -                | -                 | -                  | -                 | -                  | (3,015)           |
| Write-off of emissions allowances                        |                  |                  |                   |                    | (9,587)           |                    | (9,587)           |
| <b>Total Non-Recurring Items</b>                         | <b>(12,848)</b>  | <b>(142)</b>     | <b>3,546</b>      | <b>(13,521)</b>    | <b>(1,140)</b>    | <b>(5,021)</b>     | <b>(29,126)</b>   |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>   | <b>15,802</b>    | <b>8,093</b>     |                   | <b>(16,536)</b>    | <b>(898)</b>      | <b>(11,308)</b>    | <b>(4,847)</b>    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b> |                  |                  | <b>(638)</b>      |                    |                   |                    | <b>(638)</b>      |
| <b>GAAP Net Earnings (Loss)</b>                          | <b>\$ 15,802</b> | <b>\$ 8,093</b>  | <b>\$ (638)</b>   | <b>\$ (16,536)</b> | <b>\$ (898)</b>   | <b>\$ (11,308)</b> | <b>\$ (5,485)</b> |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.

**PNM Resources**  
**Schedule 2**  
**2008 Reconciliation of Ongoing to GAAP Earnings**  
(Preliminary and Unaudited)

**Nine Months Ended September 30, 2008**  
(in thousands)

|  | Utilities          |                    |                  | FCP                 | EnergyCo<br>(50%)  | Corp/<br>Other     | PNMR                |
|--|--------------------|--------------------|------------------|---------------------|--------------------|--------------------|---------------------|
|  | PNM<br>Electric    | TNMP<br>Electric   | PNM Gas          |                     |                    |                    |                     |
| <b>Ongoing Earnings (Loss)</b>                           | <b>\$ 18,261</b>   | <b>\$ 17,643</b>   | <b>\$ 14,993</b> | <b>\$ (13,871)</b>  | <b>\$ 2,783</b>    | <b>\$ (20,489)</b> | <b>\$ 19,320</b>    |
| <b>Non-Recurring Items</b>                               |                    |                    |                  |                     |                    |                    |                     |
| Acquisition/Divestiture                                  | (339)              | -                  | (9)              | -                   | -                  | (3,348)            | (3,696)             |
| Afton writedown  | (1,199)            | -                  | -                | -                   | -                  | -                  | (1,199)             |
| Business Improvement Plan                                | 171                | (146)              | (143)            | -                   | -                  | (4,434)            | (4,552)             |
| Depreciation on gas assets                               | -                  | -                  | 9,705            | -                   | -                  | -                  | 9,705               |
| Economic mark-to-market hedges                           | (3,016)            | -                  | 70               | (446)               | (3,247)            | -                  | (6,639)             |
| FIN 48 Interest  | (1,922)            | 29                 | 6                | 66                  | -                  | 12                 | (1,809)             |
| Gain on sale of merchant portfolio                       | 3,083              | -                  | -                | -                   | -                  | -                  | 3,083               |
| Impairment of intangible assets                          | (51,143)           | (34,456)           | -                | (55,317)            | (6,784)            | -                  | (147,700)           |
| Regulatory disallowances                                 | (18,273)           | -                  | -                | -                   | -                  | -                  | (18,273)            |
| Speculative trading                                      | -                  | -                  | -                | (31,452)            | (739)              | -                  | (32,191)            |
| Unrealized impairments of NDT securities                 | (4,070)            | -                  | -                | -                   | -                  | -                  | (4,070)             |
| Write-off of emissions allowances                        |                    |                    |                  |                     | (9,587)            |                    | (9,587)             |
| <b>Total Non-Recurring Items</b>                         | <b>(76,708)</b>    | <b>(34,573)</b>    | <b>9,629</b>     | <b>(87,149)</b>     | <b>(20,357)</b>    | <b>(7,770)</b>     | <b>(216,928)</b>    |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>   | <b>(58,447)</b>    | <b>(16,930)</b>    |                  | <b>(101,020)</b>    | <b>(17,574)</b>    | <b>(28,259)</b>    | <b>(222,230)</b>    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b> |                    |                    | <b>24,622</b>    |                     |                    |                    | <b>24,622</b>       |
| <b>GAAP Net Earnings (Loss)</b>                          | <b>\$ (58,447)</b> | <b>\$ (16,930)</b> | <b>\$ 24,622</b> | <b>\$ (101,020)</b> | <b>\$ (17,574)</b> | <b>\$ (28,259)</b> | <b>\$ (197,608)</b> |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.

**PNM Resources**  
**Schedule 3**  
**2007 Reconciliation of Ongoing to GAAP Earnings**  
(Preliminary and Unaudited)

**Three Months Ended September 30, 2007**

(in thousands)

|  | Utilities        |                  |                   | Altura      | FCP             | EnergyCo<br>(50%) | Corp/ Other       | PNMR             |
|--|------------------|------------------|-------------------|-------------|-----------------|-------------------|-------------------|------------------|
|  | PNM<br>Electric  | TNMP<br>Electric | PNM Gas           |             |                 |                   |                   |                  |
| <b>Ongoing Earnings (Loss)</b>                           | <b>\$ 20,934</b> | <b>\$ 10,421</b> | <b>\$ (3,102)</b> | <b>\$ -</b> | <b>\$ 6,802</b> | <b>\$ 6,153</b>   | <b>\$ (5,865)</b> | <b>\$ 35,343</b> |
| <b>Non-Recurring Items</b>                               |                  |                  |                   |             |                 |                   |                   |                  |
| Afton Write-Down   | (11,780)         | -                | -                 | -           | -               | -                 | -                 | (11,780)         |
| Business Improvement Plan                                | (4,186)          | (193)            | -                 | -           | -               | -                 | (3,227)           | (7,606)          |
| Economic mark-to-market hedges                           | (5,187)          |                  | (162)             | -           | (416)           | 94                | -                 | (5,671)          |
| Sale of Turbine  | 1,678            | -                | -                 | -           | -               | -                 | -                 | 1,678            |
| Speculative trading                                      | -                | -                | -                 | -           | (3,641)         | 134               | -                 | (3,507)          |
| Unrealized impairments of NDT securities                 | (85)             | -                | -                 | -           | -               | -                 | -                 | (85)             |
| <b>Total Non-Recurring Items</b>                         | <b>(19,560)</b>  | <b>(193)</b>     | <b>(162)</b>      | <b>-</b>    | <b>(4,057)</b>  | <b>228</b>        | <b>(3,227)</b>    | <b>(26,971)</b>  |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>   | <b>1,374</b>     | <b>10,228</b>    |                   | <b>-</b>    | <b>2,745</b>    | <b>6,381</b>      | <b>(9,092)</b>    | <b>11,636</b>    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b> |                  |                  | <b>(3,264)</b>    |             |                 |                   |                   | <b>(3,264)</b>   |
| <b>GAAP Net Earnings (Loss)</b>                          | <b>\$ 1,374</b>  | <b>\$ 10,228</b> | <b>\$ (3,264)</b> | <b>\$ -</b> | <b>\$ 2,745</b> | <b>\$ 6,381</b>   | <b>\$ (9,092)</b> | <b>\$ 8,372</b>  |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.

**PNM Resources**  
**Schedule 4**  
**2007 Reconciliation of Ongoing to GAAP Earnings**  
**(Preliminary and Unaudited)**

**Nine Months Ended September 30, 2007**

(in thousands)

|  | Utilities        |                  |                 | Altura          | FCP             | EnergyCo<br>(50%) | Corp/ Other        | PNMR             |
|--|------------------|------------------|-----------------|-----------------|-----------------|-------------------|--------------------|------------------|
|  | PNM<br>Electric  | TNMP<br>Electric | PNM Gas         |                 |                 |                   |                    |                  |
| <b>Ongoing Earnings (Loss)</b>                           | <b>\$ 40,136</b> | <b>\$ 15,593</b> | <b>\$ 9,511</b> | <b>\$ 5,983</b> | <b>\$19,220</b> | <b>\$ 7,125</b>   | <b>\$ (17,391)</b> | <b>\$ 80,177</b> |
| <b>Non-Recurring Items</b>                               |                  |                  |                 |                 |                 |                   |                    |                  |
| Afton Write-Down   | (11,780)         | -                | -               | -               | -               | -                 | -                  | (11,780)         |
| Business Improvement Plan                                | (4,186)          | (193)            | -               | -               | -               | -                 | (3,229)            | (7,608)          |
| Economic mark-to-market hedges                           | (9,311)          | -                | 160             | -               | 489             | 94                | -                  | (8,568)          |
| Favorable Tax Decision                                   | -                | -                | -               | -               | -               | -                 | 16,038             | 16,038           |
| JV Formation Costs                                       | -                | -                | -               | -               | -               | -                 | (2,543)            | (2,543)          |
| Loss on Altura Contribution                              | -                | -                | -               | -               | -               | -                 | (2,197)            | (2,197)          |
| Sale of Turbine  | 1,678            | -                | -               | -               | -               | -                 | -                  | 1,678            |
| Speculative trading                                      | -                | -                | -               | -               | (4,715)         | 130               | -                  | (4,585)          |
| Twin Oaks III Impairment                                 | -                | -                | -               | -               | -               | -                 | (2,042)            | (2,042)          |
| Unrealized impairments of NDT securities                 | (293)            | -                | -               | -               | -               | -                 | -                  | (293)            |
| <b>Total Non-Recurring Items</b>                         | <b>(23,892)</b>  | <b>(193)</b>     | <b>160</b>      | <b>-</b>        | <b>(4,226)</b>  | <b>224</b>        | <b>6,027</b>       | <b>(21,900)</b>  |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>   | <b>16,244</b>    | <b>15,400</b>    |                 | <b>5,983</b>    | <b>14,994</b>   | <b>7,349</b>      | <b>(11,364)</b>    | <b>48,606</b>    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b> |                  |                  | <b>9,671</b>    |                 |                 |                   |                    | <b>9,671</b>     |
| <b>GAAP Net Earnings (Loss)</b>                          | <b>\$ 16,244</b> | <b>\$ 15,400</b> | <b>\$ 9,671</b> | <b>\$ 5,983</b> | <b>\$14,994</b> | <b>\$ 7,349</b>   | <b>\$ (11,364)</b> | <b>\$ 58,277</b> |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.

**PNM Resources**  
**Schedule 5:**  
**2008 Reconciliation of Ongoing to GAAP Earnings Per Share**  
**(Preliminary and Unaudited)**

**Three Months Ended September 30, 2008**

|  | Utilities       |                  |                  | FCP              | EnergyCo<br>(50%) | Corp/<br>Other   | PNMR             |
|--|-----------------|------------------|------------------|------------------|-------------------|------------------|------------------|
|  | PNM<br>Electric | TNMP<br>Electric | PNM<br>Gas       |                  |                   |                  |                  |
| <b>Ongoing Earnings (Loss)</b>                             | <b>\$ 0.33</b>  | <b>\$ 0.10</b>   | <b>\$ (0.05)</b> | <b>\$ (0.03)</b> | <b>\$ -</b>       | <b>\$ (0.08)</b> | <b>\$ 0.27</b>   |
| <b>Non-Recurring Items</b>                                 |                 |                  |                  |                  |                   |                  |                  |
| Acquisition/Divestiture                                    | 0.00            | -                | 0.00             | -                | -                 | (0.04)           | (0.04)           |
| Business Improvement Plan                                  | 0.00            | (0.01)           | 0.00             | -                | -                 | (0.01)           | (0.02)           |
| Economic mark-to-market hedges                             | (0.11)          | -                | 0.00             | (0.07)           | 0.10              | -                | (0.08)           |
| Depreciation on gas assets                                 | -               | -                | 0.05             | -                | -                 | -                | 0.05             |
| Impairment of intangible assets                            | -               | -                | -                | (0.09)           | -                 | -                | (0.09)           |
| Speculative trading  | -               | -                | -                | 0.00             | 0.00              | -                | 0.00             |
| Unrealized impairments of NDT securities                   | (0.04)          | -                | -                | -                | -                 | -                | (0.04)           |
| Write-off of emissions allowances                          |                 |                  |                  |                  | (0.11)            |                  | (0.11)           |
| <b>Total Non-Recurring Items</b>                           | <b>(0.15)</b>   | <b>(0.01)</b>    | <b>0.05</b>      | <b>(0.16)</b>    | <b>(0.01)</b>     | <b>(0.05)</b>    | <b>(0.33)</b>    |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>     | <b>0.18</b>     | <b>0.09</b>      |                  | <b>(0.19)</b>    | <b>(0.01)</b>     | <b>(0.13)</b>    | <b>(0.06)</b>    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b>   |                 |                  | <b>0.00</b>      |                  |                   |                  | <b>0.00</b>      |
| <b>GAAP Net Earnings (Loss)</b>                            | <b>\$ 0.18</b>  | <b>\$ 0.09</b>   | <b>\$ 0.00</b>   | <b>\$ (0.19)</b> | <b>\$ (0.01)</b>  | <b>\$ (0.13)</b> | <b>\$ (0.06)</b> |
| Average Shares Outstanding (Basic and Diluted): 86,408,035 |                 |                  |                  |                  |                   |                  |                  |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.

**PNM Resources**  
**Schedule 6:**  
**2008 Reconciliation of Ongoing to GAAP Earnings Per Share**  
**(Preliminary and Unaudited)**

Nine Months Ended September 30, 2008

|  | Utilities        |                  |                | FCP              | EnergyCo<br>(50%) | Corp/<br>Other   | PNMR             |
|--|------------------|------------------|----------------|------------------|-------------------|------------------|------------------|
|  | PNM<br>Electric  | TNMP<br>Electric | PNM<br>Gas     |                  |                   |                  |                  |
| <b>Ongoing Earnings (Loss)</b>                           | <b>\$ 0.22</b>   | <b>\$ 0.22</b>   | <b>\$ 0.18</b> | <b>\$ (0.17)</b> | <b>\$ 0.03</b>    | <b>\$ (0.24)</b> | <b>\$ 0.24</b>   |
| <b>Non-Recurring Items</b>                               |                  |                  |                |                  |                   |                  |                  |
| Acquisition/Divestiture                                  | -                | -                | 0.00           | -                | -                 | (0.04)           | (0.04)           |
| Afton writedown  | (0.02)           | -                | -              | -                | -                 | -                | (0.02)           |
| Business Improvement Plan                                | -                | -                | 0.00           | -                | -                 | (0.05)           | (0.05)           |
| Depreciation on gas assets                               | -                | -                | 0.12           | -                | -                 | -                | 0.12             |
| Economic mark-to-market hedges                           | (0.04)           | -                | 0.00           | (0.01)           | (0.04)            | -                | (0.09)           |
| FIN 48 Interest  | (0.02)           | -                | 0.00           | -                | -                 | -                | (0.02)           |
| Gain on sale of merchant portfolio                       | 0.04             | -                | -              | -                | -                 | -                | 0.04             |
| Impairment of intangible assets                          | (0.63)           | (0.43)           | -              | (0.68)           | (0.09)            | -                | (1.83)           |
| Regulatory disallowances                                 | (0.22)           | -                | -              | -                | -                 | -                | (0.22)           |
| Speculative trading                                      | -                | -                | -              | (0.38)           | (0.01)            | -                | (0.39)           |
| Unrealized impairments of NDT securities                 | (0.05)           | -                | -              | -                | -                 | -                | (0.05)           |
| Write-off of emissions allowances                        |                  |                  |                |                  | (0.11)            |                  | (0.11)           |
| <b>Total Non-Recurring Items</b>                         | <b>(0.94)</b>    | <b>(0.43)</b>    | <b>0.12</b>    | <b>(1.07)</b>    | <b>(0.25)</b>     | <b>(0.09)</b>    | <b>(2.66)</b>    |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>   | <b>(0.72)</b>    | <b>(0.21)</b>    |                | <b>(1.24)</b>    | <b>(0.22)</b>     | <b>(0.33)</b>    | <b>(2.72)</b>    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b> |                  |                  | <b>0.30</b>    |                  |                   |                  | <b>0.30</b>      |
| <b>GAAP Net Earnings (Loss)</b>                          | <b>\$ (0.72)</b> | <b>\$ (0.21)</b> | <b>\$ 0.30</b> | <b>\$ (1.24)</b> | <b>\$ (0.22)</b>  | <b>\$ (0.33)</b> | <b>\$ (2.42)</b> |
| Average Shares Outstanding (Basic and Diluted):          | 81,669,330       |                  |                |                  |                   |                  |                  |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.

**PNM Resources**  
**Schedule 7:**  
**2007 Reconciliation of Ongoing to GAAP Earnings Per Share**  
**(Preliminary and Unaudited)**

**Three Months Ended September 30, 2007**

|  | Utilities       |                  |                  | Altura      | FCP            | EnergyCo<br>(50%) | Corp/<br>Other   | PNMR           |
|--|-----------------|------------------|------------------|-------------|----------------|-------------------|------------------|----------------|
|  | PNM<br>Electric | TNMP<br>Electric | PNM<br>Gas       |             |                |                   |                  |                |
| <b>Ongoing Earnings (Loss)</b>                           | <b>\$ 0.27</b>  | <b>\$ 0.13</b>   | <b>\$ (0.04)</b> | <b>\$ -</b> | <b>\$ 0.09</b> | <b>\$ 0.08</b>    | <b>\$ (0.07)</b> | <b>\$ 0.46</b> |
| <b>Non-Recurring Items</b>                               |                 |                  |                  |             |                |                   |                  |                |
| Afton Write-Down   | (0.15)          | -                | -                | -           | -              | -                 | -                | (0.15)         |
| Business Improvement Plan                                | (0.05)          | (0.00)           | -                | -           | -              | -                 | (0.05)           | (0.10)         |
| Economic mark-to-market hedges                           | (0.07)          | -                | (0.00)           | -           | 0.00           | 0.00              | -                | (0.07)         |
| Sale of Turbine  | 0.02            | -                | -                | -           | -              | -                 | -                | 0.02           |
| Speculative trading                                      | -               | -                | -                | -           | (0.05)         | 0.00              | -                | (0.05)         |
| Unrealized impairments of NDT securities                 | 0.00            | -                | -                | -           | -              | -                 | -                | 0.00           |
| Total Non-Recurring Items                                | (0.25)          | (0.00)           | (0.00)           | -           | (0.05)         | 0.00              | (0.05)           | (0.35)         |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>   | <b>0.02</b>     | <b>0.13</b>      |                  | <b>-</b>    | <b>0.04</b>    | <b>0.08</b>       | <b>(0.12)</b>    | <b>0.15</b>    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b> |                 |                  | <b>(0.04)</b>    |             |                |                   |                  | <b>(0.04)</b>  |
| <b>GAAP Net Earnings (Loss)</b>                          | <b>\$ 0.02</b>  | <b>\$ 0.13</b>   | <b>\$ (0.04)</b> | <b>\$ -</b> | <b>\$ 0.04</b> | <b>\$ 0.08</b>    | <b>\$ (0.12)</b> | <b>\$ 0.11</b> |
| Average Diluted Shares Outstanding: 77,561,189           |                 |                  |                  |             |                |                   |                  |                |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.

**PNM Resources**  
**Schedule 8:**  
**2007 Reconciliation of Ongoing to GAAP Earnings Per Share**  
**(Preliminary and Unaudited)**

**Nine Months Ended September 30, 2007**

|  | Utilities       |                  |            | Altura  | FCP     | EnergyCo<br>(50%) | Corp/<br>Other | PNMR    |
|--|-----------------|------------------|------------|---------|---------|-------------------|----------------|---------|
|  | PNM<br>Electric | TNMP<br>Electric | PNM<br>Gas |         |         |                   |                |         |
| <b>Ongoing Earnings (Loss)</b>                           | \$ 0.51         | \$ 0.20          | \$ 0.12    | \$ 0.08 | \$ 0.25 | \$ 0.09           | \$ (0.22)      | \$ 1.03 |
| <b>Non-Recurring Items</b>                               |                 |                  |            |         |         |                   |                |         |
| Afton Write-Down   | (0.15)          | -                | -          | -       | -       | -                 | -              | (0.15)  |
| Business Improvement Plan                                | (0.05)          | 0.00             | -          | -       | -       | -                 | (0.05)         | (0.10)  |
| Economic mark-to-market hedges                           | (0.12)          | -                | 0.00       | -       | 0.01    | 0.00              | -              | (0.11)  |
| Favorable Tax Decision                                   | -               | -                | -          | -       | -       | -                 | 0.21           | 0.21    |
| JV Formation Costs                                       | -               | -                | -          | -       | -       | -                 | (0.03)         | (0.03)  |
| Loss on Altura Contribution                              | -               | -                | -          | -       | -       | -                 | (0.03)         | (0.03)  |
| Sale of Turbine  | 0.02            | -                | -          | -       | -       | -                 | -              | 0.02    |
| Speculative trading                                      | -               | -                | -          | -       | (0.07)  | 0.00              | -              | (0.07)  |
| Twin Oaks III Impairment                                 | -               | -                | -          | -       | -       | -                 | (0.02)         | (0.02)  |
| Unrealized impairments of NDT securities                 | 0.00            | -                | -          | -       | -       | -                 | -              | 0.00    |
| Total Non-Recurring Items                                | (0.30)          | 0.00             | 0.00       | -       | (0.06)  | 0.00              | 0.08           | (0.28)  |
| <b>GAAP Earnings (Loss) from Continuing Operations</b>   | 0.21            | 0.20             |            | 0.08    | 0.19    | 0.09              | (0.14)         | 0.63    |
| <b>GAAP Earnings (Loss) from Discontinued Operations</b> |                 |                  | 0.12       |         |         |                   |                | 0.12    |
| <b>GAAP Net Earnings (Loss)</b>                          | \$ 0.21         | \$ 0.20          | \$ 0.12    | \$ 0.08 | \$ 0.19 | \$ 0.09           | \$ (0.14)      | \$ 0.75 |
| Average Diluted Shares Outstanding: 78,151,325           |                 |                  |            |         |         |                   |                |         |

Ongoing earnings include earnings from discontinued operations and exclude the impact of non-recurring items and net unrealized mark-to-market gains and losses on economic hedges. Ongoing earnings also exclude gains and losses from speculative trading activity and unrealized losses recorded as impairments of assets held in the Nuclear Decommissioning Trust.



**PNM Resources**  
**Schedule 9:**  
**2008 Reconciliation of EnergyCo GAAP Net Income to Ongoing EBITDA**  
**(Preliminary and Unaudited)**

|  | <b>September 30, 2008</b> |                          |
|--|---------------------------|--------------------------|
|  | <b>Three Months Ended</b> | <b>Nine Months Ended</b> |
|  | (in thousands)            |                          |
| GAAP Net Income (Loss)                     | \$ (2,308)                | \$ (58,917)              |
| Interest expense                           | 3,662                     | 15,019                   |
| Income tax                                 | 64                        | (229)                    |
| Depreciation and amortization expense      | 7,659                     | 22,886                   |
| Purchase accounting contract amortizations | (1,996)                   | 2,377                    |
| Losses on forward mark on economic hedges  | (28,287)                  | 10,749                   |
| Speculative trading                        | (2)                       | 2,446                    |
| Write-off of emissions allowances          | 31,739                    | 31,739                   |
| Impairment of intangible assets            | 321                       | 22,851                   |
| Ongoing EnergyCo EBITDA                    | <u>10,852</u>             | <u>48,921</u>            |
| 50 percent of Ongoing EBITDA (PNMR share)  | <u>\$ 5,426</u>           | <u>\$ 24,461</u>         |

**PNM Resources**  
**Schedule 10:**  
**2007 Reconciliation of EnergyCo GAAP Net Income to Ongoing EBITDA**  
**(Preliminary and Unaudited)**

|  | <b>September 30, 2007</b>        |                                 |
|--|----------------------------------|---------------------------------|
|  | <b><u>Three Months Ended</u></b> | <b><u>Nine Months Ended</u></b> |
|  | (in thousands)                   |                                 |
| GAAP Net Income (Loss)                     | \$ 18,815                        | \$ 20,866                       |
| Interest expense                           | 6,978                            | 7,796                           |
| Income tax                                 | 399                              | 399                             |
| Depreciation and amortization expense      | 5,790                            | 7,318                           |
| Purchase accounting contract amortizations | (27,842)                         | (35,455)                        |
| Losses on forward mark on economic hedges  | (526)                            | (526)                           |
| Speculative trading                        | (215)                            | (215)                           |
| Ongoing EnergyCo EBITDA                    | <u>3,399</u>                     | <u>183</u>                      |
| 50 percent of Ongoing EBITDA (PNMR share)  | <u>\$ 1,700</u>                  | <u>\$ 92</u>                    |

**PNM Resources**  
**Schedule 11:**  
**2008 Reconciliation of GAAP Net Earnings to Ongoing EBITDA by Segment**  
**(Preliminary and Unaudited)**  
**(in millions)**

|                               | Three Months Ended September 30, 2008 |               |         |              |                   |                   |
|-------------------------------|---------------------------------------|---------------|---------|--------------|-------------------|-------------------|
|                               | PNM Electric                          | TNMP Electric | PNM Gas | First Choice | Corporate & Other | PNMR Consolidated |
| GAAP Net Earnings (Loss)      | \$15.8                                | \$8.1         | (\$0.6) | (\$16.5)     | (\$12.3)          | (\$5.5)           |
| Interest charges              | 20.3                                  | 4.2           | 3.4     | 1.8          | 12.8              | 42.5              |
| Income taxes                  | 9.5                                   | 4.9           | 0.8     | (6.8)        | (10.7)            | (2.3)             |
| Depreciation and amortization | 21.0                                  | 9.9           | 0.0     | 0.6          | 4.5               | 36.0              |
| EBITDA                        | 66.6                                  | 27.1          | 3.6     | (20.9)       | (5.7)             | 70.7              |
| Ongoing adjustments           | 21.3                                  | 0.2           | (5.9)   | 17.6         | 10.2              | 43.4              |
| Ongoing EBITDA                | \$87.9                                | \$27.3        | (\$2.3) | (\$3.3)      | \$4.5             | 114.1             |

|                               | Nine Months Ended September 30, 2008 |               |         |              |             |              |
|-------------------------------|--------------------------------------|---------------|---------|--------------|-------------|--------------|
|                               |                                      |               |         |              | Corporate & | PNMR         |
|                               | PNM Electric                         | TNMP Electric | PNM Gas | First Choice | Other       | Consolidated |
| GAAP Net Earnings (Loss)      | (\$58.4)                             | (\$16.9)      | \$24.6  | (\$101.0)    | (\$45.9)    | (197.6)      |
| Interest charges              | 51.8                                 | 13.6          | 9.9     | 2.5          | 30.9        | 108.7        |
| Income taxes                  | (5.1)                                | 10.6          | 16.3    | (28.4)       | (32.7)      | (39.3)       |
| Depreciation and amortization | 62.8                                 | 27.0          | 0.0     | 1.7          | 13.2        | 104.7        |
| EBITDA                        | 51.1                                 | 34.3          | 50.8    | (125.2)      | (34.5)      | (23.5)       |
| Ongoing adjustments           | 93.5                                 | 34.6          | (15.9)  | 108.0        | 46.5        | 266.7        |
| Ongoing EBITDA                | \$144.6                              | \$68.9        | \$34.9  | (\$17.2)     | \$12.0      | 243.2        |

**PNM Resources**  
**Schedule 12:**  
**2007 Reconciliation of GAAP Net Earnings to Ongoing EBITDA by Segment**  
**(Preliminary and Unaudited)**  
**(in millions)**

|                               | Three Months Ended September 30, 2007 |               |         |        |              |                   |                   |
|-------------------------------|---------------------------------------|---------------|---------|--------|--------------|-------------------|-------------------|
|                               | PNM Electric                          | TNMP Electric | PNM Gas | Altura | First Choice | Corporate & Other | PNMR Consolidated |
| GAAP Net Earnings (Loss)      | \$1.4                                 | \$10.2        | (\$3.3) | \$0.0  | \$2.7        | (\$2.6)           | \$8.4             |
| Interest charges              | 13.0                                  | 5.8           | 3.9     | 0.0    | 0.6          | 12.0              | 35.3              |
| Income taxes                  | 0.4                                   | 5.5           | (2.1)   | 0.0    | 1.7          | (3.4)             | 2.1               |
| Depreciation and amortization | 20.7                                  | 7.1           | 5.3     | 0.0    | 0.5          | 3.1               | 36.7              |
| EBITDA                        | 35.5                                  | 28.6          | 3.8     | 0.0    | 5.5          | 9.1               | 82.5              |
| Ongoing adjustments           | 32.4                                  | 0.3           | 0.3     | 0.0    | 6.3          | 4.9               | 44.2              |
| Ongoing EBITDA                | \$67.9                                | \$28.9        | \$4.1   | \$0.0  | \$11.8       | \$14.0            | 126.7             |

|                               | Nine Months Ended September 30, 2007 |               |         |        |              |                   |                   |
|-------------------------------|--------------------------------------|---------------|---------|--------|--------------|-------------------|-------------------|
|                               | PNM Electric                         | TNMP Electric | PNM Gas | Altura | First Choice | Corporate & Other | PNMR Consolidated |
| GAAP Net Earnings (Loss)      | \$16.2                               | \$15.4        | \$9.7   | \$6.0  | \$15.0       | (\$4.0)           | 58.3              |
| Interest charges              | 38.9                                 | 19.7          | 9.7     | 8.6    | 1.8          | 24.3              | 103.0             |
| Income taxes                  | 9.6                                  | 7.8           | 6.3     | 3.9    | 9.1          | (31.7)            | 5.0               |
| Depreciation and amortization | 62.2                                 | 21.1          | 16.3    | 7.7    | 1.4          | 8.2               | 116.9             |
| EBITDA                        | 126.9                                | 64.0          | 42.0    | 26.2   | 27.3         | (3.2)             | 283.2             |
| Ongoing adjustments           | 39.6                                 | 0.3           | (0.3)   | 0.0    | 6.6          | 16.1              | 62.3              |
| Ongoing EBITDA                | \$166.5                              | \$64.3        | \$41.7  | \$26.2 | \$33.9       | \$12.9            | 345.5             |