



PNM Resources Announces Approval of TNMP Electric Stipulation

\$12.7 Million Revenue Increase to Begin Sept. 1

ALBUQUERQUE, N.M., Aug 13, 2009 (BUSINESS WIRE) -- PNM Resources' (NYSE: PNM) electric transmission and distribution utility in Texas, TNMP, received unanimous approval today to increase revenues by \$12.7 million beginning Sept. 1. The Public Utilities Commission of Texas has approved an unopposed stipulation agreed to by parties to the rate case. Reached in June the stipulation, or agreement, called for a \$6.8 million increase to base rates, plus an additional \$5.9 million of revenue associated with Hurricane Ike impacts and an interest adjustment to the Competitive Transition Charge.

The approved agreement allows TNMP to:

- Increase base rates by \$6.8 million, or approximately 4.4 percent,
- Recover approximately \$4.8 million annually over the next five years for costs related to Hurricane Ike recovery efforts,
- Collect an additional \$1.1 million annually associated with the CTC, based on TNMP's cost of debt,
- File for an adjustment to transmission rates to recover capital investments made since March 31, 2008. The stipulation also would allow TNMP to update its transmission rates annually.

The approved agreement also allows TNMP to earn a return on equity of 10.25 percent on Hurricane Ike recovery costs and future transmission rate base. The agreement results in an implied ROE of 10.5 percent on non-transmission rate base. The financial impact of the agreement is anticipated to add approximately \$2.9 million of after-tax earnings, or \$0.03 per diluted share, in 2009.

The increases would impact retail electricity providers, or REPs, that serve 231,000 customers in 76 cities within TNMP's service territory in Texas.

Background:

PNM Resources (NYSE: PNM) is an energy holding company based in Albuquerque, N.M., with 2008 consolidated operating revenues from continuing and discontinued operations of \$2.5 billion. Through its utility and energy subsidiaries, PNM Resources has more than 2,700 megawatts of generation resources and serves electricity to more than 859,000 homes and businesses in New Mexico and Texas. The company also has a 50-percent ownership of Optim Energy, formerly known as EnergyCo, which owns nearly 1,200 megawatts of generation. For more information, visit the company's Web site at www.PNMResources.com.

SOURCE: PNM Resources

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