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The following table details the changes in PNMR's net asset or liability balance sheet position for mark-to-market energy transactions other than designated cash flow hedges:

	Economic		
	Trading	Hedges (In thousands)	Total
<b>Six Months Ended June 30, 2010</b>			
Sources of fair value gain (loss):			
Net fair value at beginning of period	\$ 1,239	\$ 2,217	\$ 3,456
Amount realized on contracts delivered during period	(594)	7,111	6,517
Changes in fair value	(33)	(31,236)	(31,269)
Net change recorded as mark-to-market	(627)	(24,125)	(24,752)
Unearned/prepaid option premiums	-	1,086	1,086
Settlement of de-designated cash flow hedges	-	1,246	1,246
Net fair value at end of period	\$ 612	\$ (19,576)	\$ (18,964)
<b>Six Months Ended June 30, 2009</b>			
Sources of fair value gain (loss):			
Net fair value at beginning of period	\$ 2,556	\$ (5,422)	\$ (2,866)
Amount realized on contracts delivered during period	(1,488)	9,881	8,393
Changes in fair value	95	(6,181)	(6,086)
Net change recorded as mark-to-market	(1,393)	3,700	2,307
Unearned/prepaid option premiums	-	(422)	(422)
Net fair value at end of period	\$ 1,163	\$ (2,144)	\$ (981)

The following table provides the maturity of PNMR's net assets (liabilities) other than cash flow hedges, giving an indication of when these mark-to-market amounts will settle and generate (use) cash. The following values were determined using broker quotes and option models:

### Fair Value of Mark-to-Market Instruments at June 30, 2010

	Less than 1 year	1-3 Years	4+ Years	Total
	(In thousands)			
Trading				
Prices actively quoted	\$ 2,664	\$ -	\$ -	\$ 2,664
Prices provided by other external sources	(2,052)	-	-	(2,052)
Prices based on models and other valuations	-	-	-	-
	612	-	-	612
Economic hedges				
Prices actively quoted	(9,533)	(4,265)	-	(13,798)
Prices provided by other external sources	(2,237)	(2,780)	(483)	(5,500)
Prices based on models and other valuations	(330)	52	-	(278)
	(12,100)	(6,993)	(483)	(19,576)
Total	\$ (11,488)	\$ (6,993)	\$ (483)	\$ (18,964)

The fair value of PNMR's commodity derivative instruments designated as cash flow hedging instruments decreased \$6.1 million and \$7.5 million for the six months ended June 30, 2010 and June 30, 2009.

### Risk Management Activities

PNM measures the market risk of its long-term contracts and wholesale activities using a VaR calculation to measure the impact of price movements. The VaR calculation reports the potential market loss for the respective transactions. This calculation is based on the transaction's fair market value on the reporting date. Accordingly, the VaR calculation is not a measure of the potential accounting mark-to-market loss. PNM utilizes a Monte Carlo VaR simulation model, which produces randomly simulated mark-to-market values, by simulating prices, based upon

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historical volatilities and correlations. The quantitative model, however, is limited by the parameters established in creating the model. The instruments being evaluated may trigger a potential loss in excess of the calculated amounts if changes in commodity prices exceed the confidence level of the model used. The VaR methodology employs the following critical parameters: historical volatility estimates; market values of all contractual commitments; appropriate market-oriented holding periods; and seasonally adjusted and cross-commodity correlation estimates. The VaR calculation considers PNM's forward positions, if any. PNM uses a holding period of three days as the estimate of the length of time that will be needed to liquidate the positions. The volatility and the correlation estimates measure the impact of adverse price movements both at an individual position level as well as at the total portfolio level. The confidence level established is 95%. For example, if VaR is calculated at \$10.0 million, it is estimated that in 950 out of 1,000 market simulations the pre-tax gain or loss in liquidating the portfolio would not exceed \$10.0 million in the three days that it would take to liquidate the portfolio.

PNM measures VaR for all transactions that are not directly asset-related and have economic risk. PNM did not have any non-asset backed transactions for the six months ended June 30, 2010. For the six months ended June 30, 2009, the average, high, and low VaR amount for these transactions was less than \$0.1 million. The total VaR amount for these transactions at June 30, 2009 was less than \$0.1 million.

First Choice measures the market risk of its retail sales commitments and supply sourcing activities using a GEaR calculation to monitor potential risk exposures related to taking contracts to settlement and a VaR calculation to measure short-term market price impacts.

Because of its obligation to serve customers, First Choice must take certain contracts to settlement. Accordingly, a measure that evaluates the settlement of First Choice's positions against earnings provides management with a useful tool to manage its portfolio. First Choice uses a hold-to-maturity at risk for 12 months calculation for its GEaR measurement. The calculation utilizes the same Monte Carlo simulation approach described above at a 95% confidence level and includes the retail load and supply portfolios. Management believes the GEaR results are a reasonable approximation of the potential variability of earnings against forecasted earnings. The quantitative risk information, however, is limited by the parameters established in creating the model. The instruments being evaluated may trigger a potential loss in excess of calculated amounts if changes in commodity prices exceed the confidence level of the model used. The GEaR calculation considers First Choice's forward position for the next twelve months and holds each position to settlement. The volatility and the correlation estimates measure the impact of adverse price movements both at an individual position level as well as at the total portfolio level. For example, if GEaR is calculated at \$10.0 million, it is estimated that in 950 out of 1,000 market scenarios calculated by the model the losses against the Company's forecasted earnings over the next twelve months would not exceed \$10.0 million.

For the six months ended June 30, 2010, the average GEaR amount was \$3.4 million, with high and low GEaR amounts for the period of \$5.4 million and \$1.5 million. The total GEaR amount at June 30, 2010 was \$3.7 million. For the six months ended June 30, 2009, the average GEaR amount for these transactions was \$6.1 million, with high and low GEaR amounts for the period of \$11.4 million and \$2.2 million. The total GEaR amount for these transactions at June 30, 2009 was \$4.3 million.

First Choice utilizes a short-term VaR measure to manage its market risk. The VaR limit is based on the same total portfolio approach as the GEaR measure; however, the VaR measure is intended to capture the effects of changes in market prices over a holding period, which through June 30, 2010 was ten days. This holding period was considered appropriate given the nature of First Choice's supply portfolio and the constraints faced by First Choice in the ERCOT market. The calculation utilizes the same Monte Carlo simulation approach described above at a 95% confidence level. The VaR amount for these transactions was \$0.8 million at June 30, 2010. For the six months ended June 30, 2010, the high, low and average VaR amounts were \$2.3 million, \$0.4 million and \$1.3 million. The VaR amount for these transactions was \$0.8 million at June 30, 2009. For the six months ended June 30, 2009, the high, low and average VaR amounts were \$2.0 million, \$0.2 million and \$0.9 million. In July 2010, First Choice modified the method of calculating VaR to consider First Choice's positions over the life of the total portfolio and that is intended to capture the effects of changes in market prices over a three day holding period. These changes are considered appropriate given the nature of First Choice's supply portfolio and the developing ERCOT market.

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The Company's risk measures are regularly monitored by the Company's RMC. The RMC has put in place procedures to ensure that increases in risk measures that exceed the prescribed limits are reviewed and, if deemed necessary, acted upon to reduce exposures. VaR or GEaR limits were not exceeded during the six months ended June 30, 2010 or 2009.

The VaR and GEaR limits represent an estimate of the potential gains or losses that could be recognized on the Company's portfolios, subject to market risk, given current volatility in the market, and are not necessarily indicative of actual results that may occur, since actual future gains and losses will differ from those estimated. Actual gains and losses may differ due to actual fluctuations in market prices, operating exposures, and the timing thereof, as well as changes to the underlying portfolios during the year.

## Credit Risk

The Company conducts counterparty risk analysis across business segments and uses a credit management process to assess the financial conditions of counterparties. Credit exposure is regularly monitored by the RMC. The RMC has put procedures in place to ensure that increases in credit risk that exceed the prescribed limits are reviewed and, if deemed necessary, acted upon to reduce exposures.

The following table provides information related to PNMR's credit exposure. The table further delineates that exposure by the credit worthiness (credit rating) of the counterparties and provides guidance as to the concentration of credit risk to individual counterparties.

**Schedule of Credit Risk Exposure  
June 30, 2010**

Rating (a)	(b) Credit Risk Exposure	Number of Counter- parties >10%	Net Exposure of Counter- parties >10%
		(Dollars in thousands)	
External ratings:			
Investment grade	\$29,547	2	\$11,374
Non-investment grade	2,667		
Internal ratings:			
Investment grade			
Non-investment grade	633		
Total	<u>\$32,847</u>		<u>\$11,374</u>

- (a) The Rating included in "Investment Grade" is for counterparties with a minimum S&P rating of BBB- or Moody's rating of Baa3. If the counterparty has provided a guarantee by a higher rated entity (e.g., its parent), determination is based on the rating of its guarantor. The category "Internal Ratings - Investment Grade" includes those counterparties that are internally rated as investment grade in accordance with the guidelines established in the Company's credit policy.
- (b) The Credit Risk Exposure is the gross credit exposure, including long-term contracts (other than full requirements customers), forward sales and short-term sales. The exposure captures the amounts from receivables/payables for realized transactions, delivered and unbilled revenues, and mark-to-market gains/losses (pursuant to contract terms). Gross exposures can be offset according to legally enforceable netting arrangements but are not reduced by available credit collateral. Credit collateral includes advance payments, cash deposits, letters of credit, and parental guarantees received from counterparties. Amounts are presented before the application of such credit collateral instruments. At June 30, 2010, PNMR held advance payments of \$14.2 million and credit collateral of \$2.5 million to offset its credit exposure.

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The following table provides an indication of the maturity of PNMR's credit risk by credit ratings of the counterparties.

### Maturity of Credit Risk Exposure June 30, 2010

Rating	Less than 2 Years	2-5 Years	Greater than 5 Years	Total Exposure
(In thousands)				
External ratings:				
Investment grade	\$29,534	\$ 13	\$ -	\$29,547
Non-investment grade	2,667	-	-	2,667
Internal ratings:				
Investment grade	-	-	-	-
Non-investment grade	633	-	-	633
Total	<u>\$32,834</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$32,847</u>

The Company provides for losses due to market and credit risk. Net credit risk for PNMR's largest counterparty as of June 30, 2010 was \$6.6 million.

### Interest Rate Risk

PNMR has long-term debt which subjects it to the risk of loss associated with movements in market interest rates. The majority of PNMR's long-term debt is fixed-rate debt and does not expose PNMR's earnings to a major risk of loss due to adverse changes in market interest rates. However, the fair value of all long-term debt instruments would increase by 3.28%, if interest rates were to decline by 50 basis points from their levels at June 30, 2010. In general, an increase in fair value would impact earnings and cash flows to the extent not recoverable in rates if all or a portion of debt instruments were acquired in the open market prior to their maturity. As described in Note 7, TNMP has long-term debt of \$50.0 million that bears interest at a variable rate. However, TNMP has also entered into a hedging arrangement that effectively results in this debt bearing interest at a fixed rate, thereby eliminating interest rate risk. In addition, in January 2010, PNM entered into a floating-to-fixed interest rate swap with a notional amount of \$100.0 million associated with PNM's unsecured revolving credit facility. At July 29, 2010, PNMR has \$296.0 million of consolidated short-term debt outstanding under its revolving credit facilities and local lines of credit, which allow for a maximum aggregate borrowing capacity of \$1,053.0 million. These facilities bear interest at variable rates, which averaged 1.19% of July 29, 2010 borrowings, and the Company is exposed to interest rate risk to the extent of future increases in variable interest rates.

The securities held by PNM in the NDT and in trusts for pension and other post-employment benefits had an estimated fair value of \$539.7 million at June 30, 2010, of which 32.6% were fixed-rate debt securities that subject PNM to risk of loss of fair value with movements in market interest rates. If interest rates were to increase by 50 basis points from their levels at June 30, 2010, the decrease in the fair value of the fixed-rate securities would be 4.9%, or \$8.6 million. The securities held by TNMP in trusts for pension and other post-employment benefits had an estimated fair value of \$62.6 million at June 30, 2010, of which 27.8% were fixed-rate debt securities that subject TNMP to risk of loss of fair value with movements in market interest rates. If interest rates were to increase by 50 basis points from their levels at June 30, 2010, the decrease in the fair value of the fixed-rate securities would be 6.3%, or \$1.1 million.

PNM and TNMP do not directly recover or return through rates any losses or gains on the securities in the trusts for nuclear decommissioning or pension and other post-employment benefits. However, the overall performance of these trusts does enter into the periodic determinations of expense and funding levels, which are factored into the rate making process to the extent applicable to regulated operations. PNM and TNMP are at risk for shortfalls in funding of obligations due to investment losses, including those from the equity market and alternatives investment risks discussed below to the extent not ultimately recovered through rates charged to customers.

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### Equity Market Risk

The NDT and trusts established for PNM's pension and post-employment benefits hold certain equity securities at June 30, 2010. These equity securities expose PNM to losses in fair value should the market values of the underlying securities decline. Equity securities comprised 53.8% of the securities held by the various PNM trusts as of June 30, 2010. PNM does not directly recover or earn a return through rates on any losses or gains on these equity securities. The trusts established for TNMP's pension and post-employment benefits hold certain equity securities. These equity securities expose TNMP to losses in fair value should the market values of the underlying securities decline. Equity securities comprised 51.8% of the securities held by the TNMP trusts as of June 30, 2010. There was a significant decline in the general price levels of marketable equity securities in late 2008 and in early 2009. The impacts of these declines were considered in the funding and expense valuations performed for 2009 and 2010 and resulted in reduced income or increased expense related to the pension plans being recorded and will require increased levels of funding beginning in 2010. See Note 8.

### Alternatives Investment Risk

The Company has a target of investing 20% of its pension assets in the alternatives asset class, which amounted to 21.4% as of June 30, 2010. This includes real estate, private equity, and hedge funds. These investments are limited partner structures that are multi-manager multi-strategy funds. This investment approach gives broad diversification and minimizes risk compared to a direct investment in any one component of the funds. The general partner oversees the selection and monitoring of the underlying managers. The Company's Corporate Investment Committee, assisted by its investment consultant, monitors the performance of the funds and general partner's investment process. There is risk associated with these funds due to the nature of the strategies and techniques and the use of investments that do not have readily determinable fair value. The valuation of the alternative asset class has also been impacted by the significant decline in the general price levels of marketable equity securities.

## ITEM 4. CONTROLS AND PROCEDURES

### PNMR

#### Evaluation of disclosure controls and procedures.

As of the end of the period covered by this quarterly report, PNMR conducted an evaluation under the supervision and with the participation of PNMR's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Regulation 13A, Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934). Based upon this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective.

#### Changes in internal controls

There have been no changes in PNMR's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, PNMR's internal control over financial reporting.

### PNM

#### Evaluation of disclosure controls and procedures.

As of the end of the period covered by this quarterly report, PNM conducted an evaluation under the supervision and with the participation of PNM's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Regulation 13A, Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934). Based upon this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective.

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### Changes in internal controls

There have been no changes in PNM's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, PNM's internal control over financial reporting.

### TNMP

#### Evaluation of disclosure controls and procedures.

As of the end of the period covered by this quarterly report, TNMP conducted an evaluation under the supervision and with the participation of TNMP's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Regulation 13A, Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934). Based upon this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective.

#### Changes in internal controls

There have been no changes in TNMP's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, TNMP's internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

See Notes 9 and 10 in the Notes to Condensed Consolidated Financial Statements for information related to the following matters, for PNMR, PNM, and TNMP, incorporated in this item by reference.

- Regional Haze
- Citizens Suit Under the Clean Air Act
- Navajo Nation Environmental Issues
- Four Corners Notice of Intent to Sue
- Santa Fe Generating Station
- Coal Combustion By-Products – Sierra Club Actions
- Gila River Indian Reservation Superfund Site
- PVNGS Water Supply Litigation
- San Juan River Adjudication
- Western United States Wholesale Power Market
- Begay v. PNM et al
- PNM – Emergency FPPAC
- PNM – 2010 Electric Rate Case
- TNMP – Competitive Transition Charge True-Up Proceeding
- TNMP – Interest Rate Compliance Tariff

### ITEM 1A. RISK FACTORS

As of the date of this report, there have been no material changes with regard to the Risk Factors disclosed in PNMR's, PNM's, and TNMP's 2009 Annual Reports on Form 10-K.

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### ITEM 6. EXHIBITS

3.1	PNMR	Articles of Incorporation of PNM Resources, as amended to date (incorporated by reference to Exhibit 3.1 to PNMR's Current Report on Form 8-K filed November 21, 2008)
3.2	PNM	Restated Articles of Incorporation of PNM, as amended through May 31, 2002 (incorporated by reference to Exhibit 3.1.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002)
3.3	TNMP	Articles of Incorporation of TNMP, as amended through July 7, 2005 (incorporated by reference to Exhibit 3.1.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005)
3.4	PNMR	Bylaws of PNM Resources, Inc. with all amendments to and including February 17, 2009 (incorporated by reference to Exhibit 3.1 to PNMR's Current Report on Form 8-K filed February 20, 2009)
3.5	PNM	Bylaws of PNM with all amendments to and including May 31, 2002 (incorporated by reference to Exhibit 3.1.2 to the Company's Report on Form 10-Q for the fiscal quarter ended June 30, 2002)
3.6	TNMP	Bylaws of TNMP as adopted on August 4, 2005 (incorporated by reference to Exhibit 3.2.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005)
12.1	PNMR	Ratio of Earnings to Fixed Charges
12.2	PNM	Ratio of Earnings to Fixed Charges
12.3	TNMP	Ratio of Earnings to Fixed Charges
31.1	PNMR	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	PNMR	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	PNM	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4	PNM	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.5	TNMP	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.6	TNMP	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	PNMR	Chief Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	PNMR	Chief Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.3	PNM	Chief Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.4	PNM	Chief Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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32.5	TNMP	Chief Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.6	TNMP	Chief Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Note: As permitted by SEC rules, PNMR will file an amendment to its Quarterly Report on Form 10-Q that will contain unaudited condensed consolidated financial statements of PNMR included herein in eXtensible Business Reporting Language ("XBRL") format no later than 30 days after the date of the filing of this Quarterly Report.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

**PNM RESOURCES, INC.  
PUBLIC SERVICE COMPANY OF NEW MEXICO  
TEXAS-NEW MEXICO POWER COMPANY**

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(Registrants)

Date: August 9, 2010

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/s/ Thomas G. Sategna

Thomas G. Sategna  
Vice President and Corporate Controller  
(Officer duly authorized to sign this report)



PNM RESOURCES, INC. AND SUBSIDIARIES  
Ratio of Earnings to Fixed Charges  
(In thousands, except ratio)

Exhibit 12.1

	Six Months Ended		Year Ended December 31,			
	June 30, 2010	2009	2008	2007	2006	2005
Fixed charges, as defined by the Securities and Exchange Commission:						
Interest expensed and capitalized	\$ 62,699	\$ 123,833	\$ 134,958	\$ 124,299	\$ 135,819	\$ 83,402
Amortization of debt premium, discount and expenses	2,340	5,430	6,386	6,566	4,729	3,962
Interest from discontinued operations (including capitalized interest)	-	1,027	13,758	12,546	11,790	10,658
Estimated interest factor of lease rental charges	3,235	7,034	7,894	8,804	7,124	7,568
Preferred dividend requirements of subsidiary	371	759	689	556	798	4,063
Total Fixed Charges	<u>\$ 68,645</u>	<u>\$ 138,083</u>	<u>\$ 163,685</u>	<u>\$ 152,771</u>	<u>\$ 160,260</u>	<u>\$109,653</u>
Earnings, as defined by the Securities and Exchange Commission:						
Earnings from continuing operations before income taxes and non-controlling interest	\$ 29,641	\$ 94,751	\$ (388,381)	\$ 63,112	\$ 164,018	\$ 76,502
(Earnings) loss of equity investee	8,210	30,145	29,687	(7,581)	-	-
Earnings from continuing operations before income taxes, non-controlling interest, and investee earnings	37,851	124,896	(358,694)	55,531	164,018	76,502
Fixed charges as above	68,645	138,083	163,685	152,771	160,260	109,653
Interest capitalized	(2,098)	(7,743)	(8,849)	(10,740)	(6,503)	(4,025)
Non-controlling interest in earnings of Valencia	(6,396)	(11,890)	(7,179)	-	-	-
Preferred dividend requirements of subsidiary	(371)	(759)	(689)	(556)	(798)	(4,063)
Earnings Available for Fixed Charges	<u>\$ 97,631</u>	<u>\$ 242,587</u>	<u>\$ (211,726)</u>	<u>\$ 197,006</u>	<u>\$ 316,977</u>	<u>\$178,067</u>
Ratio of Earnings to Fixed Charges	<u>1.42</u>	<u>1.76</u>	<u>N/M *</u>	<u>1.29</u>	<u>1.98</u>	<u>1.62</u>

\* The ratio of earnings to fixed charges for the year ended December 31, 2008 is not meaningful since earnings available for fixed charges is negative. The shortfall in the earnings available for fixed charges to achieve a ratio of earnings to fixed charges of 1.00 amounted to \$375.4 million for the year ended December 31, 2008.

# PUBLIC SERVICE COMPANY OF NEW MEXICO

Exhibit 12.2

## Ratio of Earnings to Fixed Charges (In thousands, except ratio)

	Six Months Ended		Year Ended December 31,				
	June 30, 2010	2009	2008	2007	2006	2005	
Fixed charges, as defined by the Securities and Exchange Commission:							
Interest expensed and capitalized	\$ 37,362	\$ 73,104	\$ 72,427	\$ 58,045	\$ 49,379	\$ 44,442	
Amortization of debt premium, discount and expenses	652	1,336	4,345	4,618	2,871	2,856	
Interest from discontinued operations (including capitalized interest)	-	1,027	13,758	12,546	11,790	10,658	
Estimated interest factor of lease rental charges	1,940	4,517	4,553	4,661	4,337	4,588	
Total Fixed Charges	<u>\$ 39,954</u>	<u>\$ 79,984</u>	<u>\$ 95,083</u>	<u>\$ 79,870</u>	<u>\$ 68,377</u>	<u>\$ 62,544</u>	
Earnings, as defined by the Securities and Exchange Commission:							
Earnings from continuing operations before income taxes and non-controlling interest	\$ 28,567	\$ 45,627	\$ (69,324)	\$ 34,611	\$ 89,657	\$ 51,034	
Fixed charges as above	39,954	79,984	95,083	79,870	68,377	62,544	
Non-controlling interest in earnings of Valencia	(6,396)	(11,890)	(7,179)	-	-	-	
Interest capitalized	(1,782)	(6,067)	(7,363)	(10,033)	(5,257)	(3,512)	
Earnings Available for Fixed Charges	<u>\$ 60,343</u>	<u>\$ 107,654</u>	<u>\$ 11,217</u>	<u>\$ 104,448</u>	<u>\$ 152,777</u>	<u>\$ 110,066</u>	
Ratio of Earnings to Fixed Charges	<u>1.51</u>	<u>1.35</u>	<u>0.12 *</u>	<u>1.31</u>	<u>2.23</u>	<u>1.76</u>	

\* The shortfall in the earnings available for fixed charges to achieve a ratio of earnings to fixed charges of 1.00 amounted to \$83.9 million for the year December 31, 2008

# TEXAS-NEW MEXICO POWER COMPANY

Exhibit 12.3

## Ratio of Earnings to Fixed Charges

(In thousands, except ratio)

	Six Months Ended		Year Ended December 31,			
	June 30, 2010	2009	2008	2007	2006	2005
Fixed charges, as defined by the Securities and Exchange Commission:						
Interest expensed and capitalized	\$ 14,515	\$ 25,609	\$ 17,861	\$ 23,523	\$ 27,374	\$ 25,906
Amortization of debt premium, discount and expenses	1,366	3,355	1,504	1,925	1,695	2,111
Estimated interest factor of lease rental charges	588	831	571	844	367	377
Total Fixed Charges	<u>\$ 16,469</u>	<u>\$ 29,795</u>	<u>\$ 19,936</u>	<u>\$ 26,292</u>	<u>\$ 29,436</u>	<u>\$ 28,394</u>
Earnings, as defined by the Securities and Exchange Commission:						
Earnings from continuing operations before income taxes	\$ 9,490	\$ 20,151	\$ 2,335	\$ 29,055	\$ 17,905	\$ 25,183
Fixed charges as above	16,469	29,795	19,936	26,292	29,436	28,394
Interest capitalized	(59)	(1,144)	(1,025)	(332)	(209)	(200)
Earnings Available for Fixed Charges	<u>\$ 25,900</u>	<u>\$ 48,802</u>	<u>\$ 21,246</u>	<u>\$ 55,015</u>	<u>\$ 47,132</u>	<u>\$ 53,377</u>
Ratio of Earnings to Fixed Charges	<u>1.57</u>	<u>1.64</u>	<u>1.07</u>	<u>2.09</u>	<u>1.60</u>	<u>1.88</u>



**EXHIBIT 31.1**  
**CERTIFICATION**

I, Patricia K. Collawn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PNM Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (each registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2010

/s/ Patricia K. Collawn  
Patricia K. Collawn  
President and Chief Executive Officer  
PNM Resources, Inc.



**EXHIBIT 31.2**  
**CERTIFICATION**

I, Charles N. Eldred, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PNM Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (each registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2010

/s/ Charles N. Eldred  
Charles N. Eldred  
Executive Vice President and  
Chief Financial Officer  
PNM Resources, Inc.



**EXHIBIT 31.3**  
**CERTIFICATION**

I, Patricia K. Collawn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Public Service Company of New Mexico;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (each registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and



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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2010

/s/ Patricia K. Collawn

Patricia K. Collawn

President and Chief Executive Officer

Public Service Company of New Mexico



**EXHIBIT 31.4**  
**CERTIFICATION**

I, Charles N. Eldred, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Public Service Company of New Mexico;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (each registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2010

/s/ Charles N. Eldred

Charles N. Eldred  
Executive Vice President and  
Chief Financial Officer  
Public Service Company of New Mexico



**EXHIBIT 31.5**  
**CERTIFICATION**

I, Patricia K. Collawn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Texas-New Mexico Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2010

/s/ Patricia K. Collawn  
Patricia K. Collawn  
President and Chief Executive Officer  
Texas-New Mexico Power Company



**EXHIBIT 31.6**  
**CERTIFICATION**

I, Thomas G. Sategna, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Texas-New Mexico Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

- 
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2010

/s/ Thomas G. Sategna  
Thomas G. Sategna  
Vice President and Controller  
Texas-New Mexico Power Company



**EXHIBIT 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2010, for PNM Resources, Inc. ("Company"), as filed with the Securities and Exchange Commission on August 9, 2010 ("Report"), I, Patricia K. Collawn, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of § 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2010

By: /s/ Patricia K. Collawn  
Patricia K. Collawn  
President and Chief Executive Officer  
PNM Resources, Inc.





**EXHIBIT 32.2**

**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2010, for PNM Resources, Inc. ("Company"), as filed with the Securities and Exchange Commission on August 9, 2010 ("Report"), I, Charles N. Eldred, Executive Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of § 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2010

By: /s/ Charles N. Eldred  
Charles N. Eldred  
Executive Vice President and  
Chief Financial Officer  
PNM Resources, Inc.



**EXHIBIT 32.3**

**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2010, for Public Service Company of New Mexico ("Company"), as filed with the Securities and Exchange Commission on August 9, 2010 ("Report"), I, Patricia K. Collawn, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of § 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2010

By: /s/ Patricia K. Collawn  
Patricia K. Collawn  
President and Chief Executive Officer  
Public Service Company of New Mexico



**EXHIBIT 32.4**

**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2010, for Public Service Company of New Mexico ("Company"), as filed with the Securities and Exchange Commission on August 9, 2010 ("Report"), I, Charles N. Eldred, Executive Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of § 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2010

By: /s/ Charles N. Eldred  
Charles N. Eldred  
Executive Vice President and  
Chief Financial Officer  
Public Service Company of New Mexico



**EXHIBIT 32.5**

**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2010, for Texas-New Mexico Power Company ("Company"), as filed with the Securities and Exchange Commission on August 9, 2010 ("Report"), I, Patricia K. Collawn, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of § 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2010

By: /s/ Patricia K. Collawn  
Patricia K. Collawn  
President and Chief Executive Officer  
Texas-New Mexico Power Company



**EXHIBIT 32.6**

**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO § 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2010, for Texas-New Mexico Power Company ("Company"), as filed with the Securities and Exchange Commission on August 9, 2010 ("Report"), I, Thomas G. Sategna, Vice President, Controller of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of § 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2010

By: /s/ Thomas G. Sategna  
Thomas G. Sategna  
Vice President, Controller  
Texas-New Mexico Power Company