

PNM RESOURCES INC  
Form 8-K  
February 23, 2005

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**  
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest events reported) February 23, 2005  
(February 22, 2005)

| <b><u>Commission<br/>File Number</u></b> | <b><u>Name of Registrants, State of Incorporation,<br/>Address and Telephone Number</u></b>  | <b><u>I.R.S. Employer<br/>Identification No.</u></b> |
|--|--|--|
| 333-32170                                | PNM Resources, Inc.<br>(A New Mexico Corporation)<br>Alvarado Square<br>Albuquerque, New Mexico 87158<br>(505) 241-2700                  | 85-0468296   |
| 1-6986                                   | Public Service Company of New Mexico<br>(A New Mexico Corporation)<br>Alvarado Square<br>Albuquerque, New Mexico 87158<br>(505) 241-2700 | 85-0019030   |

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(Former name, former address and former fiscal year, if changed since last report)

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### Item 2.02 Results of Operations and Financial Condition

On February 22, 2005, PNM Resources, Inc. (the "Company") issued a press release announcing its unaudited results of operations for the three and twelve months ended December 31, 2004. The press release is furnished herewith as Exhibit 99.1 and incorporated by reference herein.

The Company's press release and other communications from time to time may include certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the Company's financial statements.

Non-GAAP financial measures utilized by the Company include presentations of revenues, operating expenses, operating income, other income and deductions, net income, earnings per share and other GAAP measures of operating performance that exclude or include the effect of litigation settlements, accounting or regulatory changes, the restructuring of selected operations, certain merger activities and other similar events. The Company's management believes these non-GAAP financial measures provide useful information to investors by removing the effect of variances in GAAP reported results of operations that are not indicative of fundamental changes in the earnings capacity of the Company's operations. Management also believes that the presentation of the non-GAAP financial measure is consistent with its past practice, as well as industry practice in general, and will enable investors and analysts to compare current non-GAAP measures with non-GAAP measures presented in prior periods. The non-GAAP financial measures used by the Company should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

#### *Limitation on Incorporation by Reference*

In accordance with general instruction B.6 of Form 8-K, the information in this report, including exhibits, is furnished pursuant to Item 12 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section and not deemed incorporated by reference in any filing under the Securities Act of 1933.

### **EXHIBIT INDEX**

#### **Exhibit Number Description**

99.1 Press Release dated February 22, 2005 and PNM Resources, Inc. and Subsidiaries Consolidated Statements of Earnings for the three and twelve months ended December 31, 2004 and 2003.

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**EXHIBIT 99.1**

**PNM Resources Achieves High-End Earnings Guidance for 2004**  
Margin Growth, Cost Control, Refinanced Debt Lift Earnings

**2004 Year-End Highlights**

- 2004 GAAP (generally accepted accounting principles) net earnings of \$87.7 million, or \$1.43 per diluted share. There were no one-time gains or charges for the year.
- Ongoing earnings per diluted share (not including one-time gains or charges) increased 10.0 percent to \$1.43, up from \$1.30 in 2003.
- Total operating revenues increased 10.2 percent to \$1.6 billion.
- Electric load growth remained strong in 2004, with load increasing 3.3 percent.
- Results of the previous year's refinancing and the natural gas delivery rate increase contributed to higher earnings per share.
- Record San Juan Generating Station performance and strong coal production and quality produced record-low coal costs.

**4th Quarter Highlights**

- GAAP reported earnings of \$0.30 per diluted share for the final three months of 2004. There were no one-time gains or charges for the quarter.
- Ongoing earnings of \$0.30 per diluted share in the latest quarter, up 36.4 percent from \$0.22 per diluted share over the same period in 2003.
- The natural gas delivery rate increase and continued customer growth significantly boosted gas margin.
- Retail gas and electric growth were significant factors in the company's consolidated gross margin, which increased 8.4 percent, or by \$13.1 million, this quarter compared to the same period last year.

(ALBUQUERQUE, N.M.) - PNM Resources (NYSE: PNM) today reported ongoing diluted earnings per share for 2004 increased 10.0 percent to \$1.43, from \$1.30 in 2003. GAAP net earnings in 2004 equaled ongoing earnings because there were no one-time gains or charges.

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**EXHIBIT 99.1 (Continued)**

In 2003, the company had GAAP net earnings of \$1.58 after including one-time gains and charges that added \$0.28 per diluted share.

"Our strong earnings in 2004 were a result of solid electric and gas load growth, our debt refinancing efforts and the natural gas rate increase, which went into full effect in April," said Jeff Sterba, PNM Resources chairman, president and CEO. "In addition, we saw a drop in fuel costs because of improved coal production and improved operations at the San Juan Generating Station."

PNM Resources' strong financial year was reflected in the price per share of its common stock, which rose 35.0 percent in 2004. The price per share for PNM Resources common stock closed 2003 at \$18.73 - adjusted for the 3-for-2 stock split - and rose to \$25.29 to end 2004.

**Reconciliation of GAAP reported to ongoing earnings per share year ending 2004**

|  | Three months |         | 12 months |                     |
|--|--------------|---------|-----------|---------------------|
|  | Q4 2004      | Q4 2003 | 12/31/04  | 12/31/03            |
| <b>GAAP Reported EPS</b>                 | \$0.30       | \$0.22  | \$1.43    | \$1.58              |
| <b>One-time charges</b>                  | ---          | ---     | ---       | 0.341               |
| <b>One-time gains</b>                    | ---          | ---     | ---       | (0.62) <sup>2</sup> |
| <b>Ongoing earnings</b>                  | \$0.30       | \$0.22  | \$1.43    | \$1.30              |
| <b>Average diluted shares<br/>(000s)</b> | 61,455       | 61,100  | 61,340    | 60,205              |

**Fourth quarter performance summary**

Ongoing earnings per diluted share for the final three months of 2004 grew 36.4 percent to \$0.30 per diluted share in the latest quarter, up from \$0.22 per diluted share over the same period in 2003.

Compared to the final three months of the previous year, fourth quarter 2004 earnings improved because of increased natural gas consumption, solid retail electric load growth and the natural gas rate increase. Higher earnings also resulted from record-breaking generation at San Juan Generating Station and lower fuel costs.

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<sup>1</sup>Refinanced debt; transition costs write-off; cumulative effect of changing the pension valuation measurement.

<sup>2</sup>Cumulative effect of change in accounting principle (SFAS-143).

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EXHIBIT 99.1 (Continued)

The underground mine operation near the San Juan plant produced record production, record coal quality and record-low coal costs. The mine set numerous single-day production records in December.

Consolidated gross margin (operating revenues less cost of energy) was \$13.1 million higher than in the fourth quarter of 2003, primarily because of a \$10.2 million increase in gas margin. The increase in gas delivery rates contributed \$5.3 million more in 2004.

Retail electric load growth increased 2.1 percent in the final three months of 2004, compared to the same period in 2003.

**2004 full-year performance summary**

Ongoing diluted earnings per share grew 10.0 percent for 2004 to \$1.43 from \$1.30 in 2003. Earnings were influenced by a 3.3 percent jump in retail electric load growth, results of the previous year's refinancing efforts and the gas delivery rate increase, which went into full effect in April 2004. Electric load growth, combined with strong coal performance, more than compensated for the \$17 million electric rate reduction.

The increase in ongoing diluted earnings per share was offset in part by unscheduled spring outages and an extended fall outage at the Palo Verde Nuclear Generating Station. The outages resulted in increased costs for purchased power and operating expenses. However, strong cost-control efforts by employees helped mitigate those increases.

GAAP net earnings for 2004 were reduced to \$1.43 per diluted share from \$1.58 per diluted share the previous year because of one-time gains and charges that increased earnings \$0.28 per diluted share in 2003. There were no one-time gains or charges in 2004.

Consolidated gross margin for 2004 increased \$6.5 million, or 1.0 percent, to \$659.5 million, compared to \$653.0 million in 2003.

Other recent significant developments affecting PNM Resources include:

- On February 3, PNM Resources and several Texas parties filed an unopposed agreement with the Public Utility Commission of Texas regarding the proposed acquisition of Fort Worth-based TNP Enterprises.
  - On December 30, PNM Resources became a registered holding company under the federal Public Utility Holding Company Act.
  - On December 7, the PNM Resources Board of Directors approved a 15.6 percent increase in its common stock dividend for an indicated annual rate of \$0.74 per share.
  - On November 12, PNM Resources announced it has agreed to purchase a one-third interest in a partially constructed, combined-cycle, natural gas-fired power plant in southern New Mexico. The 570-megawatt Luna Energy Facility is expected to be operational by summer 2006. The company believes the facility will be 3 percent accretive to earnings and cash flow in the first full year of operation.
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EXHIBIT 99.1 (Continued)

**Earnings guidance for 2005**

Based on its financial and operating forecasts for 2005, PNM Resources today reaffirmed earnings guidance for the year. The company expects 2005 ongoing earnings will be between \$1.40 and \$1.55 per diluted share.

Sterba said a priority in 2005 is integrating TNP Enterprises into PNM Resources.

"We are building solid plans to combine PNM Resources and TNP," Sterba said. "TNP complements our strengths and we will continue to look for similar opportunities that allow us to grow in a very measured and deliberate fashion."

**Earnings teleconference scheduled**

The company has scheduled a teleconference for 9 a.m. Eastern Time on Wednesday, February 23, 2005, to discuss 2004 earnings and other issues of interest to shareholders and investors. The public is invited to listen to the teleconference by calling 1-800-295-3991 and entering participant pass code 58406902 after 8:45 a.m. ET. A web cast of the teleconference and accompanying slide presentation can be accessed through the following link: [http://www.pnm.com/invest/docs/2005/0222\\_earnings.pdf](http://www.pnm.com/invest/docs/2005/0222_earnings.pdf)

**Background**

PNM Resources is an energy holding company based in Albuquerque, N.M. PNM, the principal subsidiary of PNM Resources, serves about 471,000 natural gas customers and 413,000 electric customers in New Mexico. The company also sells power on the wholesale market in the Western U.S. PNM Resources stock is traded primarily on the NYSE under the symbol PNM.

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

Statements made in this release and documents the Company files with the SEC that relate to future events or the Company's expectations, projections, estimates, intentions, goals, targets and strategies, both with respect to the Company and with respect to the proposed acquisition of TNP Enterprises, Inc., are made pursuant to the Private Securities Litigation Reform Act of 1995. You are cautioned that all forward-looking statements are based upon current expectations and estimates and the Company assumes no obligation to update this information. Because actual results may differ materially from those expressed or implied by the forward-looking statements, PNM Resources cautions you not to place undue reliance on these statements. Many factors could cause actual results to differ, and will affect the Company's future financial condition, cash flow and operating results. These factors include risks and uncertainties relating to the receipt of regulatory approvals of the proposed acquisition of TNP Enterprises, Inc., the risks that the businesses will not be integrated successfully, the risk that the benefits of the acquisition will not be fully realized or will take longer to realize than expected, disruption from the proposed acquisition making it more difficult to maintain relationships with customers, employees, suppliers or other third parties, conditions in the financial markets relevant to the proposed acquisition, interest rates, weather, water supply, fuel costs, availability of fuel supplies, risk management and commodity risk transactions, seasonality and other changes in supply and demand in the market for electric power, wholesale power prices, market liquidity, the competitive environment in the electric and natural gas industries, the performance of generating units and transmission system, the ability of the Company to secure long-term power sales, the risks associated with completion of the construction of Luna Energy Facility, including construction delays and unanticipated cost overruns, state and federal regulatory and legislative decisions and actions, the outcome of legal proceedings, changes in applicable accounting principles and the performance of state, regional and national economies. For a detailed discussion of the important factors that affect PNM Resources and that could cause actual results to differ from those expressed or implied by the Company's forward-looking statements, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's current and future Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and the Company's current and future Current Reports on Form 8-K, filed with the SEC.

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## EXHIBIT 99.1 (Continued)

**PNM RESOURCES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
(Unaudited)

|  | Three Months Ended<br>December 31,       |                  | Twelve Months Ended<br>December 31, |                  |
|--|--|------------------|-------------------------------------|------------------|
|  | 2004                                     | 2003             | 2004                                | 2003             |
|  | (In thousands, except per share amounts) |                  |                                     |                  |
| <b>Operating Revenues:</b>   |  |                  |                                     |                  |
| Electric   | \$ 249,263                               | \$ 254,317       | \$ 1,113,046                        | \$ 1,097,075     |
| Gas  | 160,631                                  | 106,995          | 490,921                             | 358,267          |
| Other  | 268                                      | 174              | 825                                 | 311              |
| Total operating revenues   | 410,162                                  | 361,486          | 1,604,792                           | 1,455,653        |
| <b>Operating Expenses:</b>   |  |                  |                                     |                  |
| Cost of energy sold  | 241,447                                  | 205,881          | 945,309                             | 802,670          |
| Administrative and general   | 47,609                                   | 45,465           | 168,095                             | 158,706          |
| Energy production costs  | 38,176                                   | 36,758           | 146,153                             | 140,584          |
| Depreciation and amortization  | 27,851                                   | 29,165           | 102,221                             | 115,649          |
| Transmission and distribution costs  | 15,050                                   | 13,567           | 59,447                              | 60,070           |
| Taxes, other than income taxes   | 8,683                                    | 9,365            | 34,607                              | 31,310           |
| Income taxes   | 6,461                                    | 1,914            | 36,062                              | 28,072           |
| Total operating expenses   | 385,277                                  | 342,115          | 1,491,894                           | 1,337,061        |
| Operating income   | 24,885                                   | 19,371           | 112,898                             | 118,592          |
| <b>Other Income and Deductions:</b>  |  |                  |                                     |                  |
| Other income   | 15,109                                   | 13,299           | 48,070                              | 52,705           |
| Other deductions   | (3,928)                                  | (5,460)          | (8,150)                             | (46,153)         |
| Income tax (expense) benefit   | (4,081)                                  | (285)            | (13,185)                            | 183              |
| Net other income and deductions  | 7,100                                    | 7,554            | 26,735                              | 6,735            |
| Income before interest charges   | 31,985                                   | 26,925           | 139,633                             | 125,327          |
| <b>Interest Charges:</b>   |  |                  |                                     |                  |
| Interest on long-term debt   | 11,601                                   | 11,490           | 46,702                              | 59,429           |
| Other interest charges   | 1,610                                    | 1,649            | 4,673                               | 6,760            |
| Net interest charges   | 13,211                                   | 13,139           | 51,375                              | 66,189           |
| <b>Preferred Stock Dividend Requirements of<br/>Subsidiary</b>                           | <b>132</b>                               | <b>146</b>       | <b>572</b>                          | <b>586</b>       |
| <b>Net Earnings Before Cumulative Effect of a<br/>Change in Accounting Principles</b>    | <b>18,642</b>                            | <b>13,640</b>    | <b>87,686</b>                       | <b>58,552</b>    |
| <b>Cumulative Effect of a Change in Accounting<br/>Principles Net of Tax of \$23,999</b> | <b>-</b>                                 | <b>-</b>         | <b>-</b>                            | <b>36,621</b>    |
| <b>Net Earnings</b>  | <b>\$ 18,642</b>                         | <b>\$ 13,640</b> | <b>\$ 87,686</b>                    | <b>\$ 95,173</b> |
| <b>Net Earnings per Common Share:</b>  |  |                  |                                     |                  |
| <b>Basic</b>   | <b>\$ 0.31</b>                           | <b>\$ 0.23</b>   | <b>\$ 1.45</b>                      | <b>\$ 1.60</b>   |
| <b>Diluted</b>   | <b>\$ 0.30</b>                           | <b>\$ 0.22</b>   | <b>\$ 1.43</b>                      | <b>\$ 1.58</b>   |
| <b>Dividends Paid per Share of Common Stock</b>  | <b>\$ 0.16</b>                           | <b>\$ 0.16</b>   | <b>\$ 0.63</b>                      | <b>\$ 0.61</b>   |

EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES  
COMPARATIVE OPERATING STATISTICS

The following table shows electric revenues by customer class and average customers:

| Electric Retail Revenues   |                |             |                 |
|----------------------------|----------------|-------------|-----------------|
| <b>Three Months Ended</b>  |                |             |                 |
| <b>December 31,</b>        |                |             |                 |
|                            | <b>2004</b>    | <b>2003</b> | <b>Variance</b> |
|                            | (In thousands) |             |                 |
| Residential                | \$ 50,382      | \$ 47,575   | \$ 2,807        |
| Commercial                 | 60,633         | 60,868      | (235)           |
| Industrial                 | 15,681         | 15,597      | 84              |
| Other                      | 4,736          | 4,929       | (193)           |
|                            | \$ 131,432     | \$128,969   | \$ 2,463        |
| <br>                       |                |             |                 |
| <b>Twelve Months Ended</b> |                |             |                 |
| <b>December 31,</b>        |                |             |                 |
|                            | <b>2004</b>    | <b>2003</b> | <b>Variance</b> |
|                            | (In thousands) |             |                 |
| Residential                | \$ 206,950     | \$ 203,710  | \$ 3,240        |
| Commercial                 | 251,092        | 252,876     | (1,784)         |
| Industrial                 | 61,905         | 64,549      | (2,644)         |
| Other                      | 20,138         | 19,876      | 262             |
|                            | \$ 540,085     | \$ 541,011  | \$ (926)        |
| Average customers          | 406,968        | 396,303     | 10,665          |

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EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES  
COMPARATIVE OPERATING STATISTICS

The following table shows electric sales by customer class:

Electric Retail Sales

|             | <b>Three Months Ended</b> |                  | <b>Variance</b> |
|-------------|---------------------------|------------------|-----------------|
|             | <b>December 31,</b>       |                  |                 |
|             | <b>2004</b>               | <b>2003</b>      |                 |
|             |                           | (Megawatt hours) |                 |
| Residential | 610,912                   | 577,591          | 33,321          |
| Commercial  | 831,056                   | 832,661          | (1,605)         |
| Industrial  | 324,069                   | 317,314          | 6,755           |
| Other       | 59,697                    | 57,643           | 2,054           |
|             | 1,825,734                 | 1,785,209        | 40,525          |

|             | <b>Twelve Months Ended</b> |                  | <b>Variance</b> |
|-------------|----------------------------|------------------|-----------------|
|             | <b>December 31,</b>        |                  |                 |
|             | <b>2004</b>                | <b>2003</b>      |                 |
|             |                            | (Megawatt hours) |                 |
| Residential | 2,509,449                  | 2,405,488        | 103,961         |
| Commercial  | 3,450,503                  | 3,379,147        | 71,356          |
| Industrial  | 1,283,769                  | 1,292,711        | (8,942)         |
| Other       | 253,393                    | 247,255          | 6,138           |
|             | 7,497,114                  | 7,324,601        | 172,513         |

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## EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES  
COMPARATIVE OPERATING STATISTICS

The following table shows gas revenues by customer and average customers:

| Gas Revenues               |                |             |                 |
|----------------------------|----------------|-------------|-----------------|
| <b>Three Months Ended</b>  |                |             |                 |
| <b>December 31,</b>        |                |             |                 |
|                            | <b>2004</b>    | <b>2003</b> | <b>Variance</b> |
|                            | (In thousands) |             |                 |
| Residential                | \$108,202      | \$ 70,944   | \$37,258        |
| Commercial                 | 32,581         | 21,682      | 10,899          |
| Industrial                 | 1,312          | 964         | 348             |
| Transportation*            | 3,681          | 3,567       | 114             |
| Other                      | 14,855         | 9,838       | 5,017           |
|                            | \$160,631      | \$106,995   | \$53,636        |
| <br>                       |                |             |                 |
| <b>Twelve Months Ended</b> |                |             |                 |
| <b>December 31,</b>        |                |             |                 |
|                            | <b>2004</b>    | <b>2003</b> | <b>Variance</b> |
|                            | (In thousands) |             |                 |
| Residential                | \$292,163      | \$226,799   | \$65,364        |
| Commercial                 | 92,128         | 72,269      | 19,859          |
| Industrial                 | 2,889          | 2,820       | 69              |
| Transportation*            | 15,274         | 18,906      | (3,632)         |
| Other                      | 88,467         | 37,473      | 50,994          |
|                            | \$490,921      | \$358,267   | \$132,654       |
| <br>                       |                |             |                 |
| Average customers          | 461,399        | 452,328     | 9,071           |

\*Customer-owned gas.

EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES  
COMPARATIVE OPERATING STATISTICS

The following table shows gas throughput by customer class:

| Gas Throughput            |             |             |                 |
|---------------------------|-------------|-------------|-----------------|
| <b>Three Months Ended</b> |             |             |                 |
| <b>December 31,</b>       |             |             |                 |
|                           | <b>2004</b> | <b>2003</b> | <b>Variance</b> |
| (Thousands of decatherms) |             |             |                 |
| Residential               | 11,013      | 9,347       | 1,666           |
| Commercial                | 4,047       | 3,529       | 518             |
| Industrial                | 180         | 167         | 13              |
| Transportation*           | 7,567       | 8,053       | (486)           |
| Other                     | 2,170       | 1,586       | 584             |
|                           | 24,977      | 22,682      | 2,295           |

  

| <b>Twelve Months Ended</b> |             |             |                 |
|----------------------------|-------------|-------------|-----------------|
| <b>December 31,</b>        |             |             |                 |
|                            | <b>2004</b> | <b>2003</b> | <b>Variance</b> |
| (Thousands of decatherms)  |             |             |                 |
| Residential                | 30,618      | 27,416      | 3,202           |
| Commercial                 | 11,639      | 10,810      | 829             |
| Industrial                 | 413         | 485         | (72)            |
| Transportation*            | 43,208      | 50,756      | (7,548)         |
| Other                      | 13,871      | 5,510       | 8,361           |
|                            | 99,749      | 94,977      | 4,772           |

\*Customer-owned gas.

EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES  
COMPARATIVE OPERATING STATISTICS

The following table shows revenues by customer class:

| Wholesale Revenues                  |                |           |            |
|-------------------------------------|----------------|-----------|------------|
| Three Months Ended<br>December 31,  |                |           |            |
|                                     | 2004           | 2003      | Variance   |
|                                     | (In thousands) |           |            |
| Long-term contracts                 | \$39,601       | \$34,765  | \$4,836    |
| Forward sales*                      | 13,748         | 42,809    | (29,061)   |
| Short-term sales                    | 59,480         | 57,594    | 1,886      |
| Intersegment sales                  | -              | 1,535     | (1,535)    |
|                                     | \$112,829      | \$136,703 | \$(23,874) |
|                                     |                |           |            |
| Twelve Months Ended<br>December 31, |                |           |            |
|                                     | 2004           | 2003      | Variance   |
|                                     | (In thousands) |           |            |
| Long-term contracts                 | \$ 158,085     | \$135,674 | \$ 22,411  |
| Forward sales*                      | 158,987        | 166,498   | (7,511)    |
| Short-term sales                    | 271,171        | 249,453   | 21,718     |
| Intersegment sales                  | -              | 1,535     | (1,535)    |
|                                     | \$ 588,243     | \$553,160 | \$ 35,083  |

\*Includes mark-to-market gains/(losses).

Note: For comparative purposes, wholesale revenues for the year ended December 31, 2004 and 2003 have not been reclassified to a net margin basis in accordance with GAAP. The impact would be to reduce 2004 and 2003 forward sales revenue by \$33.6 million and \$15.0 million, respectively.

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EXHIBIT 99.1 (Continued)

PNM RESOURCES, INC. AND SUBSIDIARIES  
COMPARATIVE OPERATING STATISTICS

The following table shows sales by customer class:

| Wholesale Sales            |                  |             |                 |
|----------------------------|------------------|-------------|-----------------|
| <b>Three Months Ended</b>  |                  |             |                 |
| <b>December 31,</b>        |                  |             |                 |
|                            | <b>2004</b>      | <b>2003</b> | <b>Variance</b> |
|                            | (Megawatt hours) |             |                 |
| Long-term contracts        | 726,980          | 686,026     | 40,954          |
| Forward sales              | 204,682          | 1,016,945   | (812,263)       |
| Short-term sales           | 1,290,571        | 1,448,104   | (157,533)       |
|                            | 2,222,233        | 3,151,075   | (928,842)       |
| <b>Twelve Months Ended</b> |                  |             |                 |
| <b>December 31,</b>        |                  |             |                 |
|                            | <b>2004</b>      | <b>2003</b> | <b>Variance</b> |
|                            | (Megawatt hours) |             |                 |
| Long-term contracts        | 2,943,372        | 2,469,707   | 473,665         |
| Forward sales              | 2,999,226        | 3,597,325   | (598,099)       |
| Short-term sales           | 6,057,946        | 5,834,972   | 222,974         |
|                            | 12,000,544       | 11,902,004  | 98,540          |

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**SIGNATURE**

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

**PNM RESOURCES, INC. AND  
PUBLIC SERVICE COMPANY OF NEW MEXICO**  
(Registrants)

Date: February 23, 2005

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