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GOVERNOR

State of New Mexico
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MARK E. WEIDLER
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DEPUTY SECRETARY

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

March 4, 1996

Mr. Ron D. Johnson
Sr. Environmental Scientist
PNM
Alvarado Square MS. 0408
Albuquerque, NM 87158

Dear Mr. Johnson:

RE: Fax Providing Missing Post Closure Cost Estimates

The New Mexico Environment Department (NMED) Hazardous and Radioactive Materials Bureau (HRMB) is in receipt of the December 15, 1995 fax from Public Service Company of New Mexico (PNM). This fax is of a certified letter dated October 16, 1995 which apparently reached HRMB offices but was not received by the addressee, Barbara Hoditschek.

The fax explains why post closure cost estimates for 1993, 1994 and 1995 were not submitted by PNM, and supplies the missing estimates. Annual estimates are a requirement found in PNM's permit at HWMR-4, 260.C.3.E. The fax further submits June 1 as the date for submission of the annual cost update.

HRMB appreciates receiving the missing updates and the cooperation extended by PNM in coming forward with the inadvertent permit violation. However, further review of PNM's permit reveals that HWMR-4 260.C.3.f.1.b. requires submittal of a revised schedule A within 60 (sixty) days of the date of submittal of a change in the post closure cost estimate. Therefore, a new Schedule A should have accompanied the cost estimates for 1993, 1994 and 1995. In order to return to compliance with their operating permit, PNM must submit the required Schedule A for the aforementioned years within 30 (thirty) days of receipt of this letter.

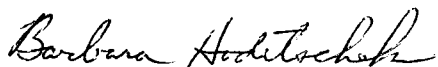
If from this year onward PNM submits its annual post closure cost updates no later than June 1 annually, and a revised Schedule A no later than August 1 annually, no further such violations should occur. PNM's failure to comply with proper reporting requirements would normally necessitate issuance of a compliance order. However, due to the fact that PNM brought this matter to NMED's attention

Mr. Ron D. Johnson
March 4, 1996
Page 2 of 2

upon discovery HRMB has decided that at this time enforcement action in this particular matter is neither warranted nor necessary. However, please be aware that this current decision does not preclude any action HRMB may determine to be appropriate in the future.

Thank you for your cooperation in this matter. If you have any questions, please call Mr. Michael Chacón of my staff at (505) 827-1561.

Sincerely,



Barbara Hoditschek, RCRA Permits Program Manager

cc: Benito J. Garcia, Chief, HRMB
Coby Muckelroy, HRMB RCRA Enforcement Program Manager
File - Reading and Red 96