

Public Service Company
of New Mexico
Alvarado Square MS 0408
Albuquerque, NM 87158

May 6, 1999

Certified Mail
Return Receipt Requested

Mr. James Bearzi
Hazardous and Radioactive Materials Bureau
New Mexico Environment Department
2044 Galisteo
P.O. Box 26110
Sante Fe, NM 87502

Dear Mr. Bearzi:

Subject: Request for Release of Excess Funds,
Person Generating Station Post Closure
Care Trust Fund, NMT360010342

In accordance with 40 CFR 264.145(a)(10) and guidance provided to PNM by the NMED Hazardous and Radioactive Materials Bureau (Robert Dinwiddie to Ron Johnson, June 12, 1997, "Person Generating Station - Mechanism for Reducing Post-Closure Care Cost Estimate and Releasing Financial Assurance Trust Funds"), PNM is hereby requesting approval for the release of excess funds in the above referenced trust fund.

PNM's most recent post-closure care cost estimate, dated April 26, 1999, is \$4,296,119. The current value of the associated trust fund is \$7,740,255. This equates to an excess funding amount of \$3,444,136. Enclosed with this letter are cost-estimate work sheets which are used to update the cost estimate each year. If additional documentation is needed by NMED to make this decision please feel free to contact me.

The name and address for the trustee is as follows:

Mr. Chris Rhoads
Vice President & Trust Officer
First Security Bank of New Mexico
P.O. Box 1305
Albuquerque, NM 87103-1305

If you have any questions, please contact me at (505) 241-2998.

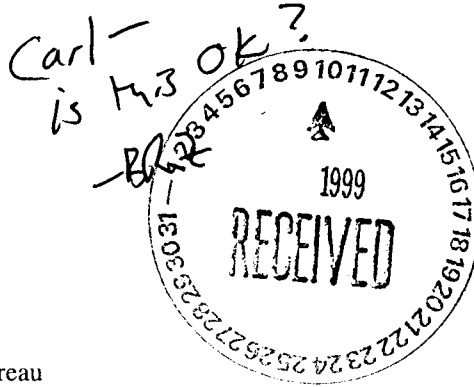
Sincerely,



Ron D. Johnson
Technical Group Leader

enclosure

cc: Carl Will - NMED HRMB
Dave Kasperek - PNM Mail Stop 2710



Person Generating Station
Post Closure Cost Estimate for 1999 Permit Reapplication

Line Item	Description	Cost
1a	RCRA Permit - Yearly Administration, Inspections, Regulatory fees and Reporting (thru 2018)-See Detail 1a	\$ 23,232.00
1b	Shallow GW Sampling Program, annual cost for next 20 total years, (thru 2018)-See Detail 1b	\$ 53,166.00
1c	Deep GW Sampling Program, annual cost for next 20 total years, (thru 2018)-See Detail 1c	\$ 45,748.00
1d	Increased Sampling Frequency to Demonstrate Technical Infeasibility - See Detail 1d	\$ 106,332.00
2	RCRA Permit - Non-recurring costs for 1999: Natural Pit Remediation, Permit Modification-See Detail 2	\$ 205,903.00
2a	Future NMED Permit Fees, associated PNM labor and Contractor Costs - See Detail 2a	\$ 726,820.00
3	Shallow GW Corrective Action Program - CAP equipment installation costs for 1999 - See Detail 3	\$ 142,000.00
4	Shallow GW Corrective Action Program (thru 2004) - Annual Operation Costs - See Detail 4	\$ 112,024.00
5	Deep Groundwater Assessment Program, Completion Costs for 1999 - See Detail 5	\$ -
6	Deep Groundwater Corrective Action Program - Installation Costs - See Detail 6	\$ -
7	Deep Groundwater Corrective Action Program - Annual Operation Costs - See Detail 7	\$ -
8	Estimated Cost for 11th year (1999) of permit (line items 1a+1b+1c+2+3+4+5+6)	\$ 582,073.00
9	Estimate for next 20 years (PC period): line 8 + line 1d + line 2a + 19*(line 1a) + 19*(line 1b) + 19*(line 1c) + 5*(line 4) + 10*(line 7)	\$ 4,296,119.00
	Date of Cost Estimate:	05/07/1999
	Notes:	
	1. Lines 5, 6 and 7 are set to zero and assumes no engineered corrective action will be needed for deep GW.	
	2. Line 4. CAP program for Shallow GW estimated to require 6 additional years of active pumping to complete (might take longer).	
	3. All labor costs are calculated at \$73 per hour.	

Detail 1
RCRA Permit - Yearly Administration, Inspections, GW Sampling, Maintenance, Reporting
(1999 Through 2018)

Assumed Average Labor Rate For All Hourly Activities:		\$73.00								
Line Item	Description	Labor or Unit Rate	Hrs/Item or 1 Unit	Items Per Year	Annual Cost (\$)	Group Subtotal				
Permit Inspections										
1	Closure Cap Inspection	\$73.00	1	2	\$ 146.00					
2	Security Fence Inspection	\$73.00	1	2	\$ 146.00					
						\$ 292.00				
Program Administration/Reporting										
3	Administrative Activities, Meetings, Regulatory Contact	\$ 73.00	120	1	\$ 8,760.00					
4	Annual Data Report Preparation	\$ 73.00	160	1	\$ 11,680.00					
5	Miscellaneous Costs: copies, binders, supplies, reference materials	\$ 1,500.00	1	1	\$ 1,500.00					
6	NMED Annual Business Fee for RCRA permit	\$ 1,000.00	1	1	\$ 1,000.00					
						\$ 22,940.00				
	Subtotal for Detail 1a:					\$ 23,232.00				
Shallow Well Sampling Program (36 wells)										
							Well Group	Number	Sample Hrs @	Total Hours
7	Preparation - Equipment checkout, planning, set up.	\$ 73.00	12	2	\$ 1,752.00		1R,3B,6R,7R,8A,8B,10,11,13A,14,37	11	1.5	16.5
8	Water Level measurements (2 operators, WL readings at 36 wells)	\$ 73.00	16	2	\$ 2,336.00		1B,13B	2	2.0	4.0
9	Purge and Sampling of 36 Shallow wells (2 operators)	\$ 73.00	74	2	\$ 10,804.00		16, 24, 25, 26, EW-1, VEW	6	1.0	6.0
10	Data Review/Evaluation	\$ 73.00	40	2	\$ 5,840.00		17,18,19,20,21,22,23,29	8	2.5	20.0
11	Administration	\$ 73.00	24	2	\$ 3,504.00		27,28,30,31,32,34,35,36	8	3.0	24.0
12	Well Replacement/Maintenance (assume 1 well replaced/yr)	\$ 12,000.00	1	1	\$ 12,000.00		33	1	3.5	3.5
13	Sampling Supplies/equipment	\$ 750.00	1	2	\$ 1,500.00		Totals:	36	13.5	74.0
14	Lab Analysis (8021halo x 43)	\$ 100.00	43	2	\$ 8,600.00					
15	Lab Analysis (App. IX)	\$ 1,765.00	2	1	\$ 3,530.00					
16	Lab Analysis (Pb & Cr at 8a) - discontinued	\$ -	0	0	\$ -					
17	Non Labor Costs: Vehicles, gas cylinders, miscellaneous	\$ 1,650.00	1	2	\$ 3,300.00		Cylinders: 1.0 per well, \$17 per cyl., = 38 * 1.0 * \$17 = \$646			
	Subtotal For Detail 1b:					\$ 53,166.00	Vehicles: 100 hrs * \$5/hr = \$500			
							Misc: \$500			
							Say per Sampling event	\$ 1,650		
Deep Well Sampling Program (15 wells)										
							Well Group	Number	Sample Hrs @	Total Hours
18	Preparation - Equipment checkout, planning, set up.	\$ 73.00	12	2	\$ 1,752.00		17-8,19-8,22-8	3	8.0	24.0
19	Water Level measurements (2 operators, WL readings at 42 wells)	\$ 73.00	16	2	\$ 2,336.00		19-5	1	5.0	5.0
20	Purge and Sampling of 15 Deep CAD wells (2 operators)	\$ 73.00	84	2	\$ 12,264.00		21-5,8	2	5.0	10.0
21	Data Review/Evaluation	\$ 73.00	40	2	\$ 5,840.00		24-4,5,6,8	4	5.0	20.0
22	Administration	\$ 73.00	24	3	\$ 5,256.00		25-5,8	2	5.0	10.0
23	Well Maintenance	\$ 10,000.00	1	1	\$ 10,000.00		27-4,5,6	3	5.0	15.0
24	Sampling Supplies/equipment	\$ 500.00	1	2	\$ 1,000.00		Totals:	15	33.0	84.0
25	Lab Analysis (8021halo x 19)	\$ 100.00	19	2	\$ 3,800.00					
26	Non Labor Costs: Vehicles, gas cylinders, miscellaneous	\$ 1,750.00	1	2	\$ 3,500.00		Cylinders: 1.5 per well, \$17 per cyl., = 15 * 1.5 * \$17 = \$382			
	Subtotal For Detail 1c:					\$ 45,748.00	Misc: \$500			
27	Detail 1 Total:					\$ 122,146.00	Vehicles: 84 hrs * \$5/hr x 2 = \$840			
							Say per sampling event	\$ 1,750		
Increased Sampling To Demonstrate Attainment of GW Goals										
28	Add'l Sampling at Shallow Wells	\$ 26,583.00	1	4	\$ 106,332.00					
	Subtotal For Detail 1d:					\$ 106,332.00				
Note: Sampling will need to be increased from biannual to quarterly one time during program. This will be done to demonstrate asymptotic behavior of GW results as a trigger to evaluate system for Technical Infeasibility or Alternate Abatement Standard.										

Detail 2
RCRA Permit - Non-Recurring Costs For 1999, Including Permit Modification

Assumed Average Labor Rate For All Hourly Activities:		\$73.00				
Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost (\$)	Group Subtotal
Permit Modification (Renewal of PC Permit)						
1	NMED Permit Modification Fee	NA	0	0	\$0.00	
2	Consultant Fee: Preparation of permit mod, pub participation, etc.	\$75,000.00	1	1	\$75,000.00	
3	Administration-PNM review and involvement in mod process	\$73.00	300	1	\$21,900.00	
4	Miscellaneous-non labor PNM costs	\$5,000.00	1	1	\$5,000.00	
5	Soil CAP - Documenting Completeness (See Details Below)	\$69,585.00	1	1	\$69,585.00	
6	SVE 1999 Operation	\$5,498.00	1	1	\$5,498.00	
						\$176,983.00
Natural Pit Remediation - Completion of Activities						
6	PNM Administrative Costs	\$73.00	40	1	\$2,920.00	
7	PNM Miscellaneous Costs	\$1,000.00	1	1	\$1,000.00	
8	NMED Permit Modification Fee (NFA-Class III)	\$25,000.00	1	1	\$25,000.00	
9	Lab Analysis: To support Risk Based Closure	\$0.00	0	0	\$0.00	
						\$28,920.00
	Detail 2 Total:					\$205,903.00
Soil CAP - Documenting Completeness						
	Drill 2 auger holes, head space analysis, soil samples at 10' intervals	\$ 7,500.00	1	1	\$7,500.00	
	Design/fabricate/Install up to 5 Vapor Probes in each hole	\$ 6,000.00	1	1	\$6,000.00	
	Lab Analysis - On soil cores Collected During Probe Installation	\$ 225.00	1	25	\$5,625.00	
	Lab Analysis - TOC and moisture	\$ 30.00	1	15	\$450.00	
	Miscellaneous Costs: En core sampler, cuttings disposal, etc.	\$ 20,500.00	1	1	\$20,500.00	
	Lab Analysis - Vapor Probe gas sampling (5 probes x two samples)+SVE	\$ 400.00	11	1	\$4,400.00	
	Data Analysis and Reporting (Contractor)	\$ 20,000.00	1	1	\$20,000.00	
	Administration-PNM review and involvement	\$73.00	70	1	\$5,110.00	
						\$ 69,585.00
Vapor Extraction System - Operation (1999 Only)						
	PNM Labor	\$73.00	1	26	\$1,898.00	
	Compliance Sampling - TO-14 Analysis	\$400.00	2	2	\$1,600.00	
	Carbon Disposal	\$2,000.00	1	1	\$2,000.00	
						\$5,498.00

Detail 3

CAD - Shallow Groundwater Corrective Action Program - Additional Equipment Installation Costs

Assumed Average Labor Rate For All Hourly Activities:		\$73.00				
<u>Line Item</u>	<u>Description</u>	<u>Labor or Unit Rate</u>	<u>Hrs/item or 1 Unit</u>	<u>Items Per Year</u>	<u>Annual Cost (\$)</u>	<u>Group Subtotal</u>
1	New extraction well near PSMW-10	\$30,000.00	1	1	\$30,000.00	
2	New extraction well near VEW	\$20,000.00	1	1	\$20,000.00	
3	New extraction well near PSMW-22	\$40,000.00	1	1	\$40,000.00	
4	Plug and abandonment of EW-1	\$2,000.00	1	1	\$2,000.00	
5	Engineering Design/Piping and Trenching to GWTP	\$50,000.00	1	1	\$50,000.00	
						\$142,000.00
	Detail 3 Total:				\$142,000.00	

Detail 5

CAD - Deep Groundwater Assessment Program, Completion Costs For 1999

The NMED has given preliminary indication that it is in agreement with the findings of the Deep Groundwater Assessment							
work. Based on that it is unlikely that any additional assessment work will be needed for the deep groundwater.							
CAD Deep Groundwater Assessment Completion (1999 only)					\$0.00		

Detail 6

CAD - Deep Groundwater Corrective Action Program - Installation Costs

<p>The cost estimate for installation of a deep groundwater remediation program is based on very limited data at this time. It currently assumes that no engineered remediation program will be needed, contaminant levels will be monitored only. Monitoring costs are shown in Detail 1.</p>										
CAD - Deep Groundwater Corrective Action Program - Installation Costs:							\$0.00			

Detail 7

CAD - Deep Groundwater Corrective Action Program - Annual Operation Costs

The cost estimate for operation of a deep groundwater remediation program is based on very limited data at this time. It currently assumes that no engineered remediation program will be needed, contaminant levels will be monitored only. Monitoring costs are shown in Detail 1.										
CAD - Deep Plume Corrective Action Program - Annual Operation Costs:							\$0.00			