

Waste Bureau

A personal commitment

to New Mexico

PNM Alvarado Square Albuquerque, NM 87158-2704 Fax 505 241-2369 www.pnm.com

March 17, 2005

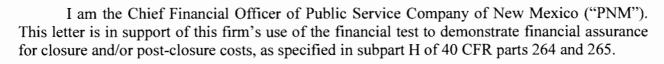
New Mexico Environment Department Hazardous Waste Bureau 2905 Rodeo Park Drive East, Building 1 Santa Fe, NM 87505-6303

Attention: John

John Kieling

RCRA Permits Program Manage

Gentlemen:



1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

EPA Identification Number: NMT-360010342

Name: Public Service Company of New Mexico Person Generating Station

Address: Broadway Boulevard and Rio Bravo Boulevard Albuquerque, NM

Current Post-Closure Care Cost Estimate: \$3,259,040

- 2. This firm guarantees, through the guarantee specified in subpart H of 40 CFR parts 264 and 265, the closure or post-closure care of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility: **Not Applicable**. The firm identified above is: **Not Applicable**.
- 3. In States where EPA is not administering the financial requirements of subpart H of 40 CFR part 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility: **None**.

- 4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in subpart H of 40 CFR parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility: **None**.
- 5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates are required by 40 CFR 144.62 are shown for each facility: **None**.

This firm is required to file a Form 10-K with the Securities and Exchange Commission ("SEC") for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended **December 31, 2004**

Alternative II

- 1. Sum of current closure and post-closure cost estimates [total of all cost estimates shown in the five paragraphs above]: \$3,259,040
- 2. Current bond rating of most recent issuance of this firm and name of rating service: BBB (Standard & Poor's)

 Baa2 (Moody's Investors Service)
 - 3. Date of issuance of bond: September 17, 2003
 - 4. Date of maturity of bond: September 15, 2008
- *5. Tangible net worth [if any portion of the closure and post-closure cost estimates is included in "total liabilities" on your firm's financial statements, you may add the amount of that portion to this line]: \$1,033,992,000
- *6. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.): Not required; more than 90% of firm's assets are located in the U.S.
 - 7. Is line 5 at least \$10 million? Yes
 - 8. Is line 5 at least 6 times line 1? **Yes**
 - *9. Are at least 90% of firm's assets located in the U.S.? If not, complete line 10: Yes

10. Is line 6 at least 6 times line 1? Not Applicable

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.

Very truly yours,

PUBLIC SERVICE COMPANY OF NEW MEXICO

 $\mathbf{B}\mathbf{y}$

Name: Jøhn Loyack

Title: Senior Vice President

and Chief Financial Officer

Date March 17, 2005

cc: John Hale, Jr.

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