

PNM 050

PNM  
2401 Aztec Road NE  
MS-Z110  
Albuquerque, NM 87107  
Fax 505 855-6320  
www.pnm.com

March 31, 2005

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**



*A personal commitment  
to New Mexico*

Mr. John Kieling  
RCRA Permits Program Manager  
New Mexico Environment Department  
Hazardous Waste Bureau  
2905 Rodeo Park Drive East, Building 1  
Santa Fe, NM 87505

**RE: Person Generating Station (NMT 360010342) – Updated Financial Assurance Information**

Dear Mr. Kieling:

Pursuant to 40 CFR 264.145(f)(5), Public Service Company of New Mexico (PNM) is submitting the following items as required under 40 CFR 264.145(f)(3) for the Person Generating Station.

- A signed letter from PNM's Chief Financial Officer.
- An independent financial auditor's report.

If you have any questions, please contact me at (505) 855-6392.

Sincerely,

John Hale, P.E.  
Technical Project Manager

Enclosures

Cc: Anita Romero - 2702

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Stockholder of  
Public Service Company of New Mexico  
Albuquerque, New Mexico

We have performed the procedures included in the Code of Federal Regulations (CFR) Title 40, part 264, Section 145 (40 CFR 264.145) which were agreed to by the New Mexico Environment Department Hazardous Waste Bureau and Public Service Company of New Mexico and subsidiaries (the "Company"), solely to assist these specified parties in evaluating the Company's compliance with the financial test option as of December 31, 2004, included in the accompanying letter dated March 17, 2005 from Mr. John Loyack, Senior Vice President and Chief Financial Officer of the Company. Management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

1. We read the Code of Federal Regulations, Environmental Protection Agency regulation 40 CFR 264.151 (f).
2. We compared the amounts included in item 5 under the caption Alternative II, #5 Tangible Net Worth, in the letter referred to above, to the line item entitled "Total common stockholder's equity" in the audited consolidated financial statements of the Company as of and for the year ended December 31, 2004, on which we have issued our report dated February 25, 2005 and noted that such amounts were in agreement.
3. We recomputed from, or reconciled to, the consolidated financial statements referred to in procedure 2, the information included in items 6 and 9, under the caption Alternative II, in the letter referred to above and noted no differences.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying letter dated March 17, 2005. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the board of directors and management of the Company and the New Mexico Environment Department Hazardous Waste Bureau, and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

March 17, 2005