

Pnm 07

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January 18, 2007



A personal commitment  
to New Mexico

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

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) – Post-Closure Cost Estimate and Actual Post-Closure Costs**

Dear Mr. Kieling:

Please find enclosed the 2007 post-closure care cost estimate and actual post-closure costs through 2006 for the Public Service Company of New Mexico Person Generating Station.

If you have any questions, please contact me at (505) 241-2014.

Sincerely,

*John Hale*  
John Hale, P.E.  
Technical Project Manager

Enclosures

Person Generating Station  
Post Closure Care Cost Estimate for 2007

Line Item	Description	Cost
1a	RCRA Permit - Yearly Administration, Inspections, and Reporting (through 2011)-See Detail 1a	\$ 25,140.00
1b	Shallow GW Sampling Program - Annual Cost for Next 4 Years, (through 2011)-See Detail 1b	\$ 50,910.00
1c	Deeper GW Sampling Program - Annual Cost for Next 5 Years, (through 2011)-See Detail 1c	\$ 49,300.00
1d	Increased Sampling Frequency to Demonstrate Attainment of GW Goals (to replace line item 1b costs one time)- See Detail 1d	\$ 90,020.00
2	RCRA Permit - Non-Recurring Costs for 2007 - Additional Permit Activities-See Detail 2	\$ 247,200.00
2a	Future NMED Permit Fees, Associated PNM Labor and Contractor Costs - See Detail 2a	\$ 127,980.00
3	Shallow GW Corrective Action Program - Additional Equipment Costs - See Detail 3	\$ 157,000.00
4	Shallow GW Corrective Action Program (thru 2008) - Annual Operation and Maintenance Costs - See Detail 4	\$ 54,540.00
5	Deeper Groundwater Assessment Program - Completion Costs - See Detail 5	\$ -
6	Deeper Groundwater Corrective Action Program - Installation Costs - See Detail 6	\$ -
7	Deeper Groundwater Corrective Action Program - Annual Operation Costs - See Detail 7	\$ -
8	Estimated Cost for 19th Year (2007) of Permit (line items 1a+1b+1c+2+4+5+6+7)	\$ 427,090.00
9	Cost for Next 5 Years of PC Period (2007 - 2011): line 8 + line 1d + line 2a + line 3 + 4*(line 1a) + 3*(line 1b) + 4*(line 1c) + 2*(line 4)	\$ 1,361,660.00
	Date of Cost Estimate:	1/19/2007
	Notes:	
	1. Line item 2 is based on an early permit renewal application to be submitted to the NMED in 2007.	
	2. Line item 4 - CAP program for shallow GW estimated to require 2 additional years (2007 - 2008) of active pumping to complete (2009 - 2011 would require verification sampling only.)	
	3. Line items 5, 6, and 7 are set to 0 - assumes no engineered corrective action will be needed for deeper GW.	
	4. All labor costs are calculated at \$85 per hour.	



Detail 2  
RCRA Permit - Non-Recurring Costs For 2007

Assumed Average Labor Rate For All Hourly Activities:		\$85.00				
In 2007, an early permit renewal application will be submitted to the NMED.						
<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>
<b>Major Permit Activities to be Completed in 2007</b>						
1	NMED Permit Renewal Fee (Early Permit Renewal Application)	\$60,000.00	1	1	\$60,000.00	
2	PNM Labor for Permit Renewal	\$85.00	320	1	\$27,200.00	
3	Contractor Labor for Permit Renewal	\$150,000.00	1	1	\$150,000.00	
4	Miscellaneous - Non-Labor Costs	\$10,000.00	1	1	\$10,000.00	
Detail 2 Total:						<b>\$247,200.00</b>

## Detail 2a - NMED Permit Fees

The estimate below is based on the current NMED fee structure and an assumed number of permit actions over the life of the permit.				
<b>Activity</b>	<b>Number</b>	<b>Fee</b>	<b>Total For This Activity</b>	
Class I Modifications	3	\$ 2,500.00	\$	7,500.00
Class II Modifications	2	\$ 6,000.00	\$	12,000.00
Class III Modifications	1	\$ 40,000.00	\$	40,000.00
Annual NMED PC Business Fee	5	\$ 4,000.00	\$	20,000.00
Hearing Fees	1	\$ 20,000.00	\$	20,000.00
				<b>\$ 99,500.00</b>
<b>Other Costs</b>	<b>Labor/Unit Rate</b>	<b>Hrs/item or 1 unit</b>	<b>Total For This Activity</b>	
Labor for Class I Mods (24hr x 3)	\$85.00	72	\$	6,120.00
Labor for Class II Mods (48hr x 2)	\$85.00	96	\$	8,160.00
Labor for Class III Mods (120hr x 1)	\$85.00	120	\$	10,200.00
Contractor Labor for PC Certification	\$4,000.00	1	\$	4,000.00
				<b>\$ 28,480.00</b>
<b>Detail 2a Total:</b>			<b>\$</b>	<b>127,980.00</b>

### Detail 3

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

Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost (\$)
Assumed Average Labor Rate For All Hourly Activities:		\$85.00			
1	Plugging and Abandonment of 2 in. Shallow Wells	\$800.00	15	1	\$12,000.00
2	Plugging and Abandonment of 4 in. Shallow Wells	\$1,000.00	20	1	\$20,000.00
3	Plugging and Abandonment of 4 in. Deep Wells	\$2,000.00	3	1	\$6,000.00
4	Plugging and Abandonment of Cluster Wells	\$8,000.00	7	1	\$56,000.00
5	Plugging and Abandonment of PSMW-25, PSMW-26, EW-1, EW-2, EW-3, EW-4, EW-5, and VEW	\$3,000.00	8	1	\$24,000.00
6	Additional/Replacement Extraction Wells	\$15,000.00	2	1	\$30,000.00
7	Engineering Design/Piping and Trenching to GWTP for Future Extraction Wells	\$3,000.00	3	1	\$9,000.00
Detail 3 Total:					\$157,000.00



Detail 5

CAD - Deeper Groundwater Assessment Program, Completion Costs

The RCRA Post Closure Care Permit issued by the NMED in 2000 approves the deeper groundwater assessment findings.								
Consequently, it is unlikely that any additional assessment work will required for the deeper groundwater.								
CAD Deeper Groundwater Assessment Completion:					\$0.00			



### Detail 6

## CAD - Deeper Groundwater Corrective Action Program - Installation Costs

Currently, PNM is assuming that no engineered remediation program will be needed. Contaminant levels will be monitored only. Monitoring costs are shown in Detail 1c.											
CAD - Deeper Groundwater Corrective Action Program - Installation Costs:							\$0.00				



Actual Post-Closure Costs  
Public Service Company of New Mexico  
Person Generating Station (NMT 360010342)

Costs Through 2006

<b>Routine Permit Activities</b>	
• Labor	\$ 760,642
• Other	<u>\$ 1,379,589</u>
Subtotal for Routine Activities	\$ 2,140,231
<b>Corrective Action Directive</b>	
<b>Shallow Groundwater Assessment</b>	
• Labor	\$ 105,554
• Other	<u>\$ 834,085</u>
Subtotal Shallow Groundwater Assessment	\$ 939,639
<b>Shallow Groundwater Remediation (Installation)</b>	
• Labor	\$ 152,686
• Other	<u>\$ 1,979,147</u>
Subtotal	\$ 2,131,833
<b>Deep Groundwater Assessment</b>	
• Labor	\$ 45,040
• Other	<u>\$ 2,018,080</u>
Subtotal	\$ 2,063,120
<b>Production Well Closure</b>	
• Labor	\$ 9,855
• Other	<u>\$ 88,908</u>
Subtotal	\$ 98,763
<b>CAP Operation</b>	
• Labor	\$132,853
• Other	<u>\$ 274,229</u>
Subtotal	\$ 407,082
Subtotal for CAD Activities:	\$ 5,640,437
Total for all Post-Closure Costs:	\$ 7,780,668