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

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



January 18, 2007



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, P.E.

Technical Project Manager

Enclosures

Person Generating Station Post Closure Care Cost Estimate for 2007

Line Item	<u>Description</u>	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 Pemit 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 1 RCRA Permit - Yearly Administration, Inspections, GW Sampling, Maintenance, and Reporting (2007 Through 2011)

					agii 2011)					
umed /	Average Labor Rate For All Hourly Activities:	\$85.00)							
ne Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost (\$)	Group Subtotal				
	Permit-Required Inspections	T-************************************								
1	Closure Cap Inspection	\$85.00	1	2	\$ 170.00)				
	Security Fence Inspection	\$85.00			\$ 170.00					 -
	Occurry I crice mapecalori	Ψ00.00		-	Πο.σ.	\$ 340.00		-		-
						\$ 340.00				-
	Program Administration/Reporting					-				
3	Administrative Activities, Meetings, and Regulatory Contact	\$ 85.00	120	1	\$ 10,200.00)				
	Annual Data Report and Other Reports Preparation	\$ 85.00		+	\$ 13,600.00					_
	Miscellaneous Costs: Copies, Supplies, Reference Materials, Etc.	\$ 1,000.00			\$ 1,000.00					_
	RESERVED	1,000.00	·		1,000.00					
					 	\$ 24,800.00				
	Subtotal for Detail 1a:					\$ 25,140.00				
	Subtotal for Detail 1a.					\$ 25,140.00				
	Shallow GW Sampling Program (35 wells)		<u> </u>				Shallow GW Well Group	Number	Sample Hrs @	Total Ho
	Preparation - Equipment Checkout, Planning, and Set-Up	\$ 85.00			\$ 1,360.00		1R,3B,6R,7R,8A,8B,10,11,13A,14,17,22,23,27			
	Water Level Measurements (2 operators, WL readings at 43 wells)	\$ 85.00			\$ 2,720.00		29,31,32,34,35,37	20		
9	Purge and Sampling of 35 Wells (2 operators)	\$ 85.00			\$ 13,090.00		1B,13B	2		
10	Data Review/Evaluation	\$ 85.00			\$ 6,800.00		EW-1, VEW, EW-2, EW-3, EW-4	5		
11	Administration	\$ 85.00	24	2	\$ 4,080.00)	18,19,20,21,33	5	1.5	
12	Well Replacement/Maintenance (assume 1 well replaced/yr)	\$ 10,000.00	1	1	\$ 10,000.00)	28,30,36	3	2.5	
13	Sampling Supplies and Equipment	\$ 500.00	1	2	\$ 1,000.00)	Totals:	35		3
14	Lab Analysis (8021halo x 40)	\$ 100.00	40	2	\$ 8,000.00)				
	Lab Analysis (App. IX x 1)	\$ 1,800.00	1	1	\$ 1,800.00)				
	Non-Labor Costs: Vehicles, Gas Cylinders, and Miscellaneous	\$ 1,030,00	1	2	\$ 2,060.00)	Cylinders: 0.5 per well (average), \$20 per cyl., =	18 * 0.5 * \$20 =	\$180	
	Subtotal for Detail 1b:						Vehicles: 60 hr * \$5/hr * 2 vehicles = \$600	10 0.0 020		
	Septotal for Detail 15.	_				Ψ 00,010.00	Misc: \$250			
								\$ 1,030		
							Estimate per sampling event	\$ 1,030		
	Deeper GW Sampling Program (15 wells)									
17	Preparation - Equipment checkout, planning, set up.	\$ 85.00	8	2	\$ 1,360.00	1	Deeper GW Well Group	Niverban	Cample No. @	Tetalilla
	Water Level Measurements (2 operators, WL readings at 42 wells)	\$ 85.00	-		\$ 2,720.00		17-8.19-8.22-8	Number 3	Sample Hrs @ 6.0	
	Purge and Sampling of 15 Deep CAD Wells (2 operators)	\$ 85.00			\$ 17,340.00		17-8,19-8,22-8 19-5, 21-5,8, 24-4,5,6,8, 25-5,8	9		
		\$ 85.00			\$ 6,800.00			3		
	Data Review/Evaluation	\$ 85.00			\$ 6,800.00		27-4,5,6 Totals:	_		
	Administration						rotals.	15	11.0	5
	Well Maintenance	\$ 10,000.00			\$ 10,000.00					
	Sampling Supplies/Equipment	\$ 500.00			\$ 1,000.00		Cylinders: 1.5 per well (average), \$20 per cyl., =	15 * 1.5 * \$20 =	\$450	
	Lab Analysis (8021halo x 17)	\$ 100.00			\$ 3,400.00		Misc: \$250			
25	Non-Labor Costs: Vehicles, Gas Cylinders, and Miscellaneous	\$ 1,300.00	1	2	\$ 2,600.00		Vehicles: 60 hrs * \$5/hr * 2 vehicles = \$600			
	Subtotal for Detail 1c:					\$ 49,300.00	Estimate per sampling event	\$ 1,300		
26	Detail 1 Total:					\$ 125,350.00				
20						1 .25,555.66				
	Increased Sampling To Demonstrate Attainment of GV	N Goale								
		v Guais						+		
27	Additional Sampling at Shallow Groundwater Wells				-					<u> </u>
	Subtotal For Detail 1d:		<u> </u>			\$ 90,020.00				
	Note: Sampling will be increased from biannual to quarter	du ono timo du rica	program This w	ill be deno to a	l	mototic bobovic-				

Detail 2 RCRA Permit - Non-Recurring Costs For 2007

Assumed A	Average Labor Rate For All Hourly Activities:	\$85.00				
In 2007, a	n early permit renewal application will be submitted to the NME	ED.				
Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit Item	ns Per Year	Annual Cost (\$)	Group Subtotal
	Major Permit Activities to be Completed in 2007					
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:					\$247,200.00

Detail 2a - NMED Permit Fees

The estimate below is based or	n the current NN	/EC	fee structure	and a	an assumed number	of	
permit actions over the life of the	ne permit.						
Activity	Number		Fee	Tota	I For This Activity		
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		
						\$	99,500.00
Other Costs	Labor/Unit Rate	Hrs	/item or 1 unit		or This Activity		
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		
						\$	28,480.00
Detail 2a Total:				\$	127,980.00		

Detail 3
CAD - Shallow Groundwater Corrective Action Program - Additional Equipment Costs

Assumed	Average Labor Rate For All Hourly Activities:	\$85.00			
Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost (\$)
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,	\$3,000.00	8	1	\$24,000.00
	EW-1, EW-2, EW-3, EW-4, EW-5, and VEW				
6	Additonal/Replacement Extraction Wells	\$15,000.00	2	1	\$30,000.00
7	Engineering Design/Piping and Trenching to GWTP	\$3,000.00	3	1	\$9,000.00
	for Future Extraction Wells		W/A-100 A A A A A A A A A A A A A A A A A A		
	Detail 3 Total:				\$157,000.00

Detail 4
CAP For Shallow Groundwater - Annual Operation and Maintenance Costs

Assumed .	Average Labor Rate For All Hourly Activities:	\$85.00				
Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost (\$)	Group Subtotal (\$
Lille itelli	Groundwater Treatment System - Operation	Labor or Office (value	Institution of the	Romo i Ci i Cai	7 ATTION TO SECTO	Cicup Cabiotai (4
1	Utilities	\$275.00	1	12	\$3,300.00	
2	Compliance Sampling - 8021 Analysis, 5/month	\$105.00	5	12	\$6,300.00	
4	Compliance Sampling - 3021 Analysis, 3/Hontil	\$85.00	3	12	\$3,060.00	
5	Routine Inspections	\$85.00	1	26	\$2,210.00	
	Data Review and Evaluation	\$85.00	2	12	\$2,040.00	
6 		\$85.00	8	12	\$1,360.00	
· · · · · · · · · · · · · · · · · · ·	Compliance Reporting Administration	\$85.00	16	1	\$1,360.00	
8		·	10	1	\$1,500.00	
9	Training	\$1,500.00	1	6	\$1,000.00	
10	Miscellaneous (chemicals and supplies, carbon)	\$2,500.00	I	0	\$15,000.00	\$36,130.00
	Groundwater Treatment System - Maintenance					
11	Routine Maintenance - Labor	\$85.00	8	12	\$8,160.00	
12	Routine Maintenance - Equipment, Parts, Etc.	\$10,000.00	1	1	\$10,000.00	
13	Training	\$250.00	1	1	\$250.00	
						\$18,410.00
474.0						
	Detail 4 Total:					\$54,540.00

Detail 5 CAD - Deeper Groundwater Assessment Program, Completion Costs

The RCRA Post C	losure Care Permit i	ssued by the NME	ED in 2000 appr	roves the deep	oer groundwa	ater assessme	ent findings.
Consequently, it is	unlikely that any ad	ditional assessme	ent work will req	uired for the o	leeper groun	dwater.	
CAD Deeper Grou	ndwater Assessmen	t 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 w	ill be monitored	only. Monito	ring costs are	shown in Deta	il 1c.
A TOOL											
Proc. 10.									VIII.		
						(6)					
CAD - Deepe	CAD - Deeper Groundwater Corrective Action Program - Installation Costs:					\$0.00					

Detail 7 CAD - Deeper Groundwater Corrective Action Program - Annual Operation Costs

Currently, PN	IM is assuming tha	t no engineered reme	diation program will be needed	Contaminant levels will be monitored only. Monitoring costs are shown in Detail 1.					
				-					
CAD - Deepe	er Plume Corrective	Action Program - Ani	nual Operation Costs:	\$0.00					

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

Costs Through 2006

Routine Permit Activities	
Labor	\$ 760,642
Other	<u>\$1,379,589</u>
Subtotal for Routine Activities	\$ 2,140,231

Corrective Action Directive	
Shallow Groundwater Assessment	
 Labor 	\$ 105,554
• Other	<u>\$ 834,085</u>
Subtotal Shallow Groundwater Assessment	\$ 939,639
Shallow Groundwater Remediation (Installation)	
• Labor	\$ 152,686
Other	<u>\$ 1,979,147</u>
Subtotal	\$ 2,131,833
Deep Groundwater Assessment	
• Labor	\$ 45,040
Other	<u>\$ 2,018,080</u>
Subtotal	\$ 2,063,120
Production Well Closure	
Labor	\$ 9,855
Other	<u>\$ 88,908</u>
Subtotal	\$ 98,763
CAP Operation	
• Labor	\$132,853
Other	<u>\$ 274,229</u>
Subtotal	\$ 407,082
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Subtotal for CAD Activities: \$5,640,437

Total for all Post-Closure Costs: \$7,780,668