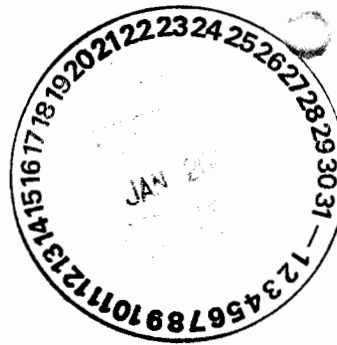


PNM  
2401 Aztec Road NE  
MS-Z110  
Albuquerque, NM 87107  
Fax 505 855-6320  
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January 16, 2009

**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



*A personal commitment  
to New Mexico*

**RE: Person Generating Station (NMT 360010342) – Post-Closure Cost Estimate and Actual Post-Closure Costs**

Dear Mr. Kieling:

Please find enclosed the 2009 post-closure care cost estimate and actual post-closure costs through 2008 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

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

Costs Through 2008

<b>Routine Permit Activities</b>	
• Labor	\$ 839,578
• Other	<u>\$ 1,520,776</u>
Subtotal for Routine Activities	\$ 2,360,354
<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	\$ 160,464
• Other	<u>\$ 298,663</u>
Subtotal	\$ 459,127
Subtotal for CAD Activities:	\$ 5,692,482
<b>Total for all Post-Closure Costs:</b>	<b>\$ 8,052,836</b>

Person Generating Station  
Post Closure Care Cost Estimate for 2009

Line Item	Description	Cost
1a	RCRA Permit - Yearly Administration, Inspections, and Reporting (through 2012)-See Detail 1a	\$ 25,140.00
1b	Shallow GW Sampling Program - Annual Cost (through 2012)-See Detail 1b	\$ 47,710.00
1c	Deeper GW Sampling Program - Annual Cost (through 2012)-See Detail 1c	\$ 46,100.00
1d	Increased Sampling Frequency to Demonstrate Attainment of GW Goals (to replace line item 1b costs one time)- See Detail 1d	\$ 92,620.00
2	RCRA Permit - Non-Recurring Costs for 2009 - Additional Permit Activities-See Detail 2	\$ 124,200.00
2a	Future NMED Permit Fees, Associated PNM Labor and Contractor Costs - See Detail 2a	\$ 115,980.00
3	Shallow GW Corrective Action Program - Equipment Costs - See Detail 3	\$ 202,500.00
4	Shallow GW Corrective Action Program (through 2009) - Annual Operation and Maintenance Costs - See Detail 4	\$ 55,190.00
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 21st Year (2009) of Permit (line items 1a+1b+1c+2+4+5+6+7)	\$ 298,340.00
9	Cost for Next 4 Years of PC Period (2009 - 2012): line 8 + line 1d + line 2a + line 3 + 3*(line 1a) + 2*(line 1b) + 3*(line 1c)	\$ 1,018,580.00
	Date of Cost Estimate:	1/15/2009
	Notes:	
	1. Line item 2 is based on an early permit renewal application that was submitted to the NMED in 2007.	
	2. Line item 4 - CAP program for shallow GW estimated to require 1 additional year (2009) of active pumping to complete (2010 - 2012 would require verification sampling only.)	
	3. Assume that all activities relative to the CAP will be completed by the end of 2012.	
	4. Line items 5, 6, and 7 are set to 0 - assumes no engineered corrective action will be needed for deeper GW.	
	5. All labor costs are calculated at \$85 per hour.	

Detail 1  
RCRA Permit - Yearly Administration, Inspections, GW Sampling, Maintenance, and Reporting  
(2009 Through 2012)

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				
<b>Permit-Required Inspections</b>										
1	Closure Cap Inspection	\$85.00	1	2	\$ 170.00					
2	Security Fence Inspection	\$85.00	1	2	\$ 170.00					
						<b>\$ 340.00</b>				
<b>Program Administration/Reporting</b>										
3	Administrative Activities, Meetings, and Regulatory Contact	\$ 85.00	120	1	\$ 10,200.00					
4	Annual Data Report and Other Reports Preparation	\$ 85.00	160	1	\$ 13,600.00					
5	Miscellaneous Costs: Copies, Supplies, Reference Materials, Etc.	\$ 1,000.00	1	1	\$ 1,000.00					
6	RESERVED									
						<b>\$ 24,800.00</b>				
Subtotal for Detail 1a:						<b>\$ 25,140.00</b>				
<b>Shallow GW Sampling Program (35 wells)</b>										
7	Preparation - Equipment Checkout, Planning, and Set-Up	\$ 85.00	8	2	\$ 1,360.00					
8	Water Level Measurements (2 operators, WL readings at 43 wells)	\$ 85.00	16	2	\$ 2,720.00					
9	Purge and Sampling of 35 Wells (2 operators)	\$ 85.00	77	2	\$ 13,090.00					
10	Data Review/Evaluation	\$ 85.00	40	2	\$ 6,800.00					
11	Administration	\$ 85.00	24	2	\$ 4,080.00					
12	Well Replacement/Maintenance (assume expenditure of \$5,000/yr)	\$ 5,000.00	1	1	\$ 5,000.00					
13	Sampling Supplies and Equipment	\$ 500.00	1	2	\$ 1,000.00					
14	Lab Analysis (8021halo x 40)	\$ 100.00	40	2	\$ 8,000.00					
15	Lab Analysis (App. IX x 1)	\$ 1,800.00	1	1	\$ 1,800.00					
16	Non-Labor Costs: Vehicles, Gas Cylinders, and Miscellaneous	\$ 1,930.00	1	2	\$ 3,860.00					
Subtotal for Detail 1b:						<b>\$ 47,710.00</b>				
							<b>Shallow GW Well Group</b>	<b>Number</b>	<b>Sample Hrs @</b>	<b>Total Hours</b>
							1R,3B,6R,7R,8A,8B,10,11,13A,14,17,22,23,27			
							29,31,32,34,35,37	20	1.0	20.0
							1B,13B	2	0.5	1.0
							EW-1, VEW, EW-2, EW-3, EW-4	5	0.5	2.5
							18,19,20,21,33	5	1.5	7.5
							28,30,36	3	2.5	7.5
							<b>Totals:</b>	<b>35</b>		<b>38.5</b>
							Cylinders: 0.5 per well (average), \$20 per cyl., = 18 * 0.5 * \$20 = \$180			
							Vehicles: assume two rental vehicles for 2-week period - \$1500			
							Misc: \$250			
							Estimate per sampling event \$ 1,930			
<b>Deeper GW Sampling Program (15 wells)</b>										
17	Preparation - Equipment checkout, planning, set up.	\$ 85.00	8	2	\$ 1,360.00					
18	Water Level Measurements (2 operators, WL readings at 42 wells)	\$ 85.00	16	2	\$ 2,720.00					
19	Purge and Sampling of 15 Deep CAD Wells (2 operators)	\$ 85.00	102	2	\$ 17,340.00					
20	Data Review/Evaluation	\$ 85.00	40	2	\$ 6,800.00					
21	Administration	\$ 85.00	24	2	\$ 4,080.00					
22	Well Maintenance (assume expenditure of \$5,000/yr)	\$ 5,000.00	1	1	\$ 5,000.00					
23	Sampling Supplies/Equipment	\$ 500.00	1	2	\$ 1,000.00					
24	Lab Analysis (8021halo x 17)	\$ 100.00	17	2	\$ 3,400.00					
25	Non-Labor Costs: Vehicles, Gas Cylinders, and Miscellaneous	\$ 2,200.00	1	2	\$ 4,400.00					
Subtotal for Detail 1c:						<b>\$ 46,100.00</b>				
							<b>Deeper GW Well Group</b>	<b>Number</b>	<b>Sample Hrs @</b>	<b>Total Hours</b>
							17-8,19-8,22-8	3	6.0	18.0
							19-5, 21-5,8, 24-4,5,6,8, 25-5,8	9	3.0	27.0
							27-4,5,6	3	2.0	6.0
							<b>Totals:</b>	<b>15</b>	<b>11.0</b>	<b>51.0</b>
							Cylinders: 1.5 per well (average), \$20 per cyl., = 15 * 1.5 * \$20 = \$450			
							Misc: \$250			
							Vehicles: assume two rental vehicles for 2-week period - \$1500			
							Estimate per sampling event \$ 2,200			
26 Detail 1 Total:						<b>\$ 118,950.00</b>				
<b>Increased Sampling To Demonstrate Attainment of GW Goals</b>										
26	Annual NMED PC Business fee				\$ 4,000					
27	Additional Sampling at Shallow Groundwater Wells									
Subtotal For Detail 1d:						<b>\$ 92,620.00</b>				
Note: Sampling will be increased from biannual to quarterly one time during program. This will be done to demonstrate asymptotic behavior of GW analytical results as a trigger to evaluate system for Technical Infeasibility or Alternate Abatement Standard, or to demonstrate that groundwater standards have been achieved.										

Detail 2  
RCRA Permit - Non-Recurring Costs For 2009

Assumed Average Labor Rate For All Hourly Activities:		\$85.00				
In 2007, an early permit renewal application was submitted to the NMED. However, the permit fee will be due sometime in 2009.						
Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost (\$)	Group Subtotal
<b>Major Permit Activities to be Completed in 2009</b>						
1	NMED Permit Renewal Fee (Early Permit Renewal Application)	\$60,000.00	1	1	\$60,000.00	
2	PNM Labor for Permit Renewal Application Follow-Up Work	\$85.00	120	1	\$10,200.00	
3	Contractor Labor for Permit Renewal Application Follow-Up Work	\$40,000.00	1	1	\$40,000.00	
4	Miscellaneous - Non-Labor Costs	\$10,000.00	1	1	\$10,000.00	
						<b>\$120,200.00</b>
<b>Routine Permit Fee for 2009</b>						
	Annual NMED PC Business Fee for 2009				\$ 4,000.00	
	<b>Detail 2 Total:</b>					<b>\$124,200.00</b>









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				

Detail 7

CAD - Deeper Groundwater Corrective Action Program - Annual Operation 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 1.											
CAD - Deeper Plume Corrective Action Program - Annual Operation Costs:							\$0.00				