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March 18, 2015

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CERTIFIED MAIL and E-MAIL
RETURN RECEIPT REQUESTED

John Kieling
Chief, Hazardous Waste Bureau
New Mexico Environment Department
2905 Rodeo Park Drive East, Building 1
Santa Fe, NM 87505-6030

NMED
Hazardous Waste Bureau

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

Dear Mr. Kieling:

Please find enclosed the 2015 post-closure care cost estimate and actual post-closure costs through 2014 for the Public Service Company of New Mexico Person Generating Station.

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

Sincerely,

A handwritten signature in cursive script that reads "John Hale".

John Hale, P.E.
Technical Project Manager

Enclosures

cc: Brian Salem, NMED-HWB, 5500 San Antonio NE, Albuquerque, NM 87109 and E-Mail

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

Costs Through 2014

Routine Permit Activities	
• Labor	\$ 960,417
• Other	<u>\$ 1,766,141</u>
Subtotal for Routine Activities	\$ 2,726,558
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	\$ 193,221
• Other	<u>\$ 330,981</u>
Subtotal	\$ 524,202
Subtotal for CAD Activities:	\$ 5,757,557
Total for all Post-Closure Costs:	\$ 8,484,115

Person Generating Station
Post Closure Care Cost Estimate for 2015

Line Item	Description	Cost
1	Biannual Activities - See Detail 1	\$ 46,430.00
2	Future Permit Fees and Associated Labor and Contractor Costs (one-time costs) - See Detail 2	\$ 94,880.00
3	Well Closure and Replacement Costs (one-time costs) - See Detail 3	\$ 183,000.00
4	Groundwater Treatment System Annual Operation and Maintenance Costs - See Detail 4	\$ 19,010.00
5	Cost for Next 2 Years of Post Closure Care Period (2015 - 2016) = 2 yr * line 1 + line 2 + line 3 + 2 yr * line 4	\$ 408,760.00
	Date of Cost Estimate:	1/15/2015
	Notes:	
	1. Current cost estimate (line 5) is based on the following:	
	Starting with the 2nd half of 2013, the Groundwater Treatment System will be operated on a 6 month-on/ 6 month-off schedule through the end of 2016.	
	Assume relevant regulatory groundwater standards will be met by the end of 2016 and the GTS can then be permanently shut down.	
	2. Cost estimate was initially revised based on issuance of new permit, which became effective on 10/6/12.	
	3. 2015 is the 27th year of post-closure care.	

Detail 2 - Permit-Related Costs

Permit-Related Costs - 2015-2016					
Line Item	Activity	Number	Fee	Total	Detail Subtotal
1	Class I Permit Modification (2015 - 2016)	3	\$ 2,500.00	\$ 7,500.00	
2	Class III Permit Modification (2016)	1	\$ 40,000.00	\$ 40,000.00	
3	NMED Report Review Fees (2015 - 2016)	5	2,500	\$ 12,500.00	
4	Annual NMED PC Business Fee (2015 - 2016)	2	4000	8,000.00	
					\$ 68,000.00
	<u>Other Costs</u>	<u>Labor/Unit Rate</u>	<u>Hrs/item or 1 unit</u>	<u>Total For This Activity</u>	
5	Labor for Class I Modification (24hr x 3)	\$ 90.00	72	\$ 6,480.00	
6	Labor for Class III Modification (80hr x 1)	\$ 90.00	80	\$ 7,200.00	
7	Contractor Labor for Class III Modification (80hrx1)	\$ 90.00	80	\$ 7,200.00	
8	Contractor Cost for Post Closure Certification	\$ 6,000.00	1	\$ 6,000.00	
					\$ 26,880.00
	Detail 2 Total:				\$ 94,880.00
	Notes:				
	1. Assumed average hourly labor rate:		\$90.00		
	2. Assume that three Class I permit modifications will be required through 2016.				
	3. Assume that the relevant groundwater standards have been met by the end of 2016 and the GTS can be permanently shut down. One Class III permit modification will be required to formally terminate corrective action activities.				

Detail 4
GTS Annual Operation and Maintenance Costs

Groundwater Treatment System Costs (1st half 2015 - 2nd half 2016)					
Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost
<u>Groundwater Treatment System - Operation</u>					
1	Utilities (monthly cost - 6 mo on/6 mo off for two years)	\$ 350.00	1	6	\$ 2,100.00
2	Compliance Sampling - 8260 Analysis, 3 samples/month	\$ 115.00	3	6	\$ 2,070.00
3	Compliance Sampling - Labor	\$ 90.00	1	6	\$ 540.00
4	Routine Inspections	\$ 90.00	1	12	\$ 1,080.00
5	Data Review and Evaluation	\$ 90.00	1	6	\$ 540.00
6	Compliance Reporting	\$ 90.00	2	2	\$ 360.00
7	Administration	\$ 90.00	1	12	\$ 1,080.00
8	Miscellaneous (supplies, replacement carbon, etc.)	\$ 3,000.00	1	1	\$ 3,000.00
<u>Groundwater Treatment System - Maintenance</u>					
9	Routine Maintenance - Labor	\$ 90.00	3	12	\$ 3,240.00
10	Routine Maintenance - Equipment, Parts, Etc.	\$ 5,000.00	1	1	\$ 5,000.00
Detail 4 Total:					\$ 19,010.00
Notes:					
1. Assumed average hourly labor rate:		\$ 90.00			
2. The GTS will be operated on a 6-mo on/6-mo off frequency commencing in 2nd half 2013 through the end of 2016.					