

2401 Aztec NE – Z100
Albuquerque, NM 87107
P 505.241.2014
F 505.241.2384
PNMResources.com



February 23, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED

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

FEB 27 2017
NMED
Hazardous Waste Bureau

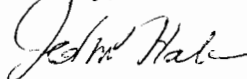
RE: Person Generating Station (NMT 360010342) – Post-Closure Cost Estimate and Actual Post-Closure Costs

Dear Mr. Kieling:

Please find enclosed the 2017 post-closure care cost estimate and actual post-closure costs through 2016 for the Public Service Company of New Mexico Person Generating Station.

If you have any questions, please contact me at (505) 241-2014 or via email at john.hale@pnmresources.com.

Sincerely,


John Hale, P.E.
Environmental Manager

Enclosures

cc: Brian Salem, NMED-HWB, District 1, 121 Tijeras Ave. NE, Albuquerque, NM 87102

Person Generating Station
Post Closure Care Cost Estimate for 2017

Line Item	Description	Cost
1	Biannual Activities - See Detail 1	\$ 37,190.00
2	Permit Related Fees (one-time costs) - See Detail 2	\$ 80,800.00
3	Well Closure and Replacement Costs (one-time costs) - See Detail 3	\$ 164,000.00
4	Groundwater Treatment System Costs - See Detail 4	\$ 19,290.00
5	Cost for One Year of Post Closure Care Period (2017) = 1 yr * line 1 + line 2 + line 3 + 1 yr * line 4	\$ 301,280.00
	Date of Cost Estimate:	1/19/2017
	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 2017.	
	- Assume relevant regulatory groundwater standards will be met by the end of 2017 and the GTS can then be permanently shut down.	
	- A Class III permit modification will be required to terminate monitoring and operation of the GTS and will occur in 2018. All remaining wells will be plugged and abandoned in 2018.	
	2. Cost estimate was initially revised based on issuance of new permit, which became effective on 10/6/12.	
	3. 2017 is the 29th year of post-closure care.	

Detail 1
Inspections, Administration, Reporting, and Sampling Activities

Routine Permit-Related Activities					
<u>Activities to be Conducted Biannually During 2017</u>					
<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>Permit-Required Inspections</u>					
1	Closure Cap, Security Fence, GTS Inspections	\$ 90.00	2	2	\$ 360.00
<u>Program Administration/Reporting</u>					
2	Administrative Activities, Meetings, and Regulatory Contact	\$ 90.00	8	2	\$ 1,440.00
3	Permit-Required Reports Preparation	\$ 90.00	40	2	\$ 7,200.00
4	Contractor Labor and Support for Reporting Requirements	\$ 90.00	8	2	\$ 1,440.00
<u>Groundwater Sampling Program (20 wells)</u>					
5	Preparation - Equipment Check, Planning, and Set-Up	\$ 90.00	2	2	\$ 360.00
6	Water Level Measurements and Sampling of 20 Wells (1 operator)	\$ 90.00	40	2	\$ 7,200.00
7	Data Review/Evaluation	\$ 90.00	8	2	\$ 1,440.00
8	Sampling Supplies, Equipment, Gas Cylinders, etc.	\$ 1,000.00	1	2	\$ 2,000.00
9	Lab Analysis (8260 Volatiles x 25)	\$ 115.00	25	2	\$ 5,750.00
10	Lab Analysis (App. IX x 5)	\$ 2,000.00	5	1	\$ 10,000.00
11	Detail 1 Total:				\$ 37,190.00
Notes:					
1. Assumed average hourly labor rate:		\$ 90.00			
2. GTS will be operated on 6-mo on/6-mo off schedule during 2017. Monitoring activities will be conducted biannually during this one-year period.					
3. Cost estimate is based on the assumption that at the end of 2017 relevant groundwater standards will be met and the GTS can be permanently shut down.					

Detail 3
Well Closure and Replacement Costs

Well Closure and Replacement Costs					
<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>Total</u>
1	Plugging and Abandonment of 2 in. Shallow Wells	\$ 2,000.00	9	1	\$ 18,000.00
2	Plugging and Abandonment of 4 in. Shallow Wells	\$ 2,500.00	9	1	\$ 22,500.00
3	Plugging and Abandonment of 4 in. Deep Wells	\$ 3,500.00	1	1	\$ 3,500.00
4	Plugging and Abandonment of Cluster Wells	\$ 11,000.00	5	1	\$ 55,000.00
5	Plugging and Abandonment of EW-1, EW-2, EW-3, EW-4, and VEW	\$ 5,000.00	5	1	\$ 25,000.00
6	Replacement of One Extraction Well (if needed)	\$ 40,000.00	1	1	\$ 40,000.00
Detail 4 Total:					\$ 164,000.00
Notes:					
	1. Assumed average hourly labor rate.	\$ 90.00			
	2. Assume all wells will be closed by end of 2018.				

Detail 4
GTS Annual Operation and Maintenance Costs

Groundwater Treatment System Costs (during 2017)					
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 one year)	\$ 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	2	6	\$ 1,080.00
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	1	\$ 180.00
7	Administration	\$ 90.00	1	12	\$ 1,080.00
8	Miscellaneous (supplies, replacement carbon, etc.)	\$ 4,000.00	1	1	\$ 4,000.00
<u>Groundwater Treatment System - Maintenance</u>					
9	Routine Maintenance - Labor	\$ 90.00	2	12	\$ 2,160.00
10	Routine Maintenance - Equipment, Parts, Etc.	\$ 5,000.00	1	1	\$ 5,000.00
11	Detail 4 Total:				\$ 19,290.00
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 2017.				

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

Costs Through 2016

Routine Permit Activities	
• Labor	\$ 991,223
• Other	<u>\$ 1,923,890</u>
Subtotal for Routine Activities	\$ 2,915,113
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	\$ 194,008
• Other	<u>\$ 338,067</u>
Subtotal	\$ 532,075
Subtotal for CAD Activities:	\$ 5,765,430
Total for all Post-Closure Costs:	\$ 8,680,543