

Public Service Company
of New Mexico
Alvarado Square MS 0408
Albuquerque, NM 87158

June 10, 1998

Certified Mail
Return Receipt Requested



5 - forward to James at HRMB sent



Mr. James Bearzi
New Mexico Environment Department
Hazardous and Radioactive Materials Bureau
P.O. Box 26110
Santa Fe, NM 87502

Carl

Dear Mr. Bearzi:

Subject: Post Closure Cost Estimate, Trust Fund Schedule A,
Person Generating Station, NMT 360010342


Enclosed please find the following items relative to the Person Generating Station Hazardous Waste Permit (NMT360010342):

- Cover letter to First Security Bank from PNM, modifying Schedule A of the Trust Agreement (dated April 27, 1999).
- Revised Schedule A (Effective April 26, 1999), for the Trust Agreement.
- Calculation of payment for Trust Agreement (1999)
- Revised Post-Closure Cost Estimate (Table I), Closure and Post-Closure Actual Costs to Date (Tables IIa and IIb), dated April 26, 1999.

This submittal is a requirement of the Person Station RCRA Permit, referenced above and is submitted to the HRMB by June 1, each year.

Please be advised that the trust fund continues to be significantly over-funded. It is PNM's intent to petition the NMED for approval to release excess dollars from the trust fund. PNM will be preparing this request in the next few weeks pursuant to guidance provided by NMED in 1997 (Robert Dinwiddie to Ron Johnson, 6/12/97, "Person Generating Station - Mechanism for Reducing Post-Closure Care Cost Estimate and Releasing Financial Assurance Trust Funds").

If you have any questions, please contact me at (505) 241-2998.

Sincerely,

Ron D. Johnson
Technical Group Leader

enclosures

Public Service Company
of New Mexico
Alvarado Square
Albuquerque, NM 87158
505 241-2700



April 27, 1999

Mr. Chris Rhoads
Vice President & Trust Officer
First Security Bank of New Mexico
P. O. Box 1305
Albuquerque, NM 87103-1305

Subject: PNM Person Station Post-Closure Trust

Dear Mr. Rhoads:

Enclosed please find a revised SCHEDULE A to the Trust Agreement which is required to be recomputed annually to reflect the most current post-closure cost estimate, which is \$4,296,119. This is the value used in determining if a seventh payment to the Trust is required to be deposited in the Trust not later than June 26, 1999. This year, since the current market value of the Trust exceeds the post-closure cost estimate, no additional contribution is required. The calculation of these values, which is not part of SCHEDULE A, is also enclosed for your information. This letter is authorization for you to change SCHEDULE A to reflect the new current estimate.

Thank you for your kind consideration. If there are any questions please call me at 241-4543.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ed Jeung". The signature is written in a cursive, flowing style.

Ed Jeung
Director, Trust & Corporate Investments

Enclosures:

Schedule A
Effective April 26, 1999

EPA ID Number	NMT 360010342
Name:	Person Generating Station
Address:	Broadway Blvd. at Rio Bravo Blvd. Albuquerque, NM
Current post-closure cost estimate:	\$4,296,119

**Trust Fund
Calculation of Seventh Payment
1999**

206.D.3.f.1(e) If the owner operator establishes a post-closure trust fund after having used one or more alternate mechanisms specified in 206.D.3.f or 206.C.3.f. his first payment must be in at least the amount the fund would contain if the trust fund were established initially and annual payments made in according to specifications in 206.D.3.f.(1) and 206.C.3.f.(1), as applicable.

206.D.3.f.(1)The first payment must be at least equal to the current post-closure estimate, except as provided in 206.C.3.f.(7) divided by the number of years in the pay-in period. Subsequent payments must be made no later than 30 days after the anniversary date of the first payment. The amount of each subsequent payment must be determined by this formula:

$$\text{Next payment} = \frac{\text{CE}-\text{CV}}{\text{Y}}$$

Therefore:

$$\frac{\$4,296,119 - \$7,740,255}{\text{N/A}}$$

Next Payment: = \$0.00

Payment not required because current value (CV) exceeds current estimate (CE)

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

<u>Line</u>	<u>Description</u>	<u>Cost</u>
1a	RCRA Permit - Yearly administration, inspections, regulatory fees and reporting. (will be needed for 1999 through 2018)	\$ 23,232
1b	Yearly cost for shallow plume groundwater sampling program. (will be needed for 20 additional years, 1999 through 2018)	\$ 53,166
1c	Yearly cost for deep plume groundwater sampling program. (will be needed for 20 additional years, 1999 through 2018)	\$ 45,748
1d	Increased Sampling Frequency to Demonstrate Technical Infeasibility	\$ 106,332
2	RCRA Permit - Non-recurring cost for 1999: Natural Pit remediation, permit modification.	\$ 205,903
2a	Future NMED Permit Fees, associated PNM labor and contractor cost	\$ 726,820
3	Shallow plume Corrective Action Program (CAP Installation Cost for 1999)	\$ 142,000
4	Shallow Plume Corrective Action Program - Yearly operation cost (will be needed 6 additional years, 1999 through 2004)	\$ 112,024
5	Deep groundwater assessment program ¹	\$ 0
6	Deep groundwater remedial program installation ²	\$ 0
7	Deep groundwater Corrective Action Program - Yearly operation Annual operation cost ²	\$ 0
8	Estimated cost for 11th year (1999) of permit (lines 1a + 1b + 1c + 2 + 3 + 4 + 5 + 6)	\$ 582,073
9	Estimated cost for next 20 years - estimated post-closure period: [line 8 + line 1d + [19 x line 1a] + [19 x line 1b] + [19 x line 1c] + [5 x line 4] + [10 x line 7]	\$ 4,296,119

Date of Cost Estimate: April 26, 1999

Notes:

1. Cost estimate to complete current work plan by end of 1999 (subject to change pending results from current permit renewal activities).
2. Estimate assumes no engineered remedial activity necessary for deep groundwater.
3. Corrective Action Programs estimated to require 10 years to complete.

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

Closure - Actuals Through December 1998

--PNM Labor, Loads, Overhead	\$ 343,888
--Drillers and Consultants	\$ 404,556
--Laboratory Analytical Fees	\$ 83,548
--Legal Fees	\$ 39,177
--Hazardous Materials Disposal	\$ 5,212
--Employee and Travel Expenses	\$ 4,969
--Blue Prints, Printing, Copying, Photos	\$ 2,667
--Reference Materials and Misc. Supplies	<u>\$ 2,063</u>
Total Closure Costs	\$ 886,080

Date of Cost Estimate: April 26, 1999

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

Post Closure - Actuals Through December 1998

Routine Permit Activities	
--Labor	\$ 385,925
--Other	<u>\$ 786,837</u>
Subtotal for Routine Activities	\$ 1,172,762
Corrective Action Directive	
1. Shallow Groundwater Assessment	
-- Labor	\$ 105,554
-- Other	<u>\$ 834,085</u>
Subtotal Shallow Groundwater Assessment	\$ 939,639
2. Shallow Groundwater Remediation (Installation)	
-- Labor	\$ 150,330
-- Other	<u>\$ 1,811,743</u>
Subtotal Shallow Groundwater Remediation Installation	\$ 1,962,073
3. Deep Groundwater Assessment	
-- Labor	\$ 45,040
-- Other	<u>\$ 2,018,080</u>
Subtotal Deep Groundwater Assessment	\$ 2,063,120
4. Production Well Closure	
-- Labor	\$ 9,855
-- Other	<u>\$88,908</u>
Subtotal Production Well Closure	\$ 98,763
5. CAP Operation	
-- Labor	\$ 37,281
-- Other	<u>\$ 117,582</u>
Subtotal for CAP Operation	\$ 154,863
Subtotal For CAD Activities:	\$ 5,218,458
Total all Post Closure Costs:	\$ 6,391,220

Date of Cost Estimate: April 26, 1999