



GARY E. JOHNSON
GOVERNOR

PNM99

State of New Mexico
ENVIRONMENT DEPARTMENT
Hazardous & Radioactive Materials Bureau
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PETER MAGGIORE
SECRETARY

PAUL R. RITZMA
DEPUTY SECRETARY

Certified Mail No. Z 433 931 ~~902~~
Return Receipt Requested

*Reading Room
11/10/99*

November 1, 1999

Chris Rhoads
Vice President and Trust Officer
First Security Bank of New Mexico, N.A.
P.O. Box 1305
Albuquerque, NM 87502

**RE: RELEASE OF EXCESS FUNDS - POST-CLOSURE CARE TRUST FUND
PUBLIC SERVICE COMPANY OF NEW MEXICO
PERSON GENERATING STATION
EPA ID NO. NMT360010342**

Dear Mr. Rhoads:

This letter serves as notice by the New Mexico Environment Department (NMED) of approval of release of excess funds in the above-referenced Trust Fund, in accordance with New Mexico Hazardous Waste Management Regulations, 20 NMAC 4.1.500, incorporating 40 CFR §264.145(a)(10).

The Public Service Company of New Mexico (PNM) is required by 20 NMAC 4.1.500, incorporating 40 CFR §264.145, to maintain financial assurance for the cost of post-closure care and corrective action activities at the Person Generating Station Site (the Site) in the South Valley of Albuquerque. The Trust Fund is the instrument used by PNM to fulfill its financial assurance obligations.

PNM must maintain financial assurance in the amount of the cost of remaining post-closure care and corrective action activities at the Site. PNM has submitted to NMED a cost estimate for those costs, as required by 20 NMAC 4.1.500, incorporating 40 CFR §264.144.

In a letter from Ron Johnson, of PNM, to James Bearzi, Bureau Chief of the NMED Hazardous and Radioactive Materials Bureau (HRMB), dated May 6, 1999, PNM

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requested approval for the release of excess funds. PNM's request was justified in the May 6 letter by a proposed lower cost estimate.

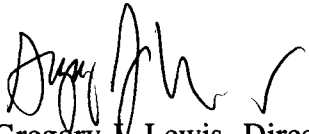
After phone conversations between PNM and HRMB, following the May 6 letter, PNM made adjustments to the proposed lower cost estimate. A final revised cost estimate, of \$4,556,275.00, agreed to by PNM and HRMB, was submitted to HRMB in a letter from Ron Johnson to Carl Will, dated September 22, 1999.

According to a letter from you to Mark Weidler, former Secretary of NMED, dated April 21, 1999, the current value of the Trust Fund is \$7,740,255.85.

NMED approves the revised post-closure care cost estimate for the Site of \$4,556,275.00. Pursuant to its authority under 20 NMAC 4.1.500, incorporating 40 CFR §264.145(a)(10), NMED approves the release of funds in the Trust Fund in excess of \$4,556,275.00.

If you have any questions or need additional information please contact Carl Will at 505-827-1561, ex. 1031.

Sincerely,



Gregory J. Lewis, Director
Water & Waste Management Division

cc: James Bearzi, Chief, HRMB
John Kieling, HRMB
Ron Johnson, PNM

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