

PNM 08

RECEIVED

JAN 16 2008

January 14, 2008

PNM
2401 Aztec Road NE
MS-Z110
Albuquerque, NM 87107
Fax 505 855-6320
www.pnm.com

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



*A personal commitment
to New Mexico*

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

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

Dear Mr. Kieling:

Please find enclosed the 2008 post-closure care cost estimate and actual post-closure costs through 2007 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 2007

Routine Permit Activities	
• Labor	\$ 807,931
• Other	<u>\$ 1,473,834</u>
Subtotal for Routine Activities	\$ 2,281,765
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	\$ 148,717
• Other	<u>\$ 287,478</u>
Subtotal	\$ 436,195
Subtotal for CAD Activities:	\$ 5,669,550
Total for all Post-Closure Costs:	\$ 7,951,315

Person Generating Station
Post Closure Care Cost Estimate for 2008

Line Item	Description	Cost
1a	RCRA Permit - Yearly Administration, Inspections, and Reporting (through 2011)-See Detail 1a	\$ 25,140.00
1b	Shallow GW Sampling Program - Annual Cost (through 2011)-See Detail 1b	\$ 45,910.00
1c	Deeper GW Sampling Program - Annual Cost (through 2011)-See Detail 1c	\$ 44,300.00
1d	Increased Sampling Frequency to Demonstrate Attainment of GW Goals (to replace line item 1b costs one time)- See Detail 1d	\$ 89,020.00
2	RCRA Permit - Non-Recurring Costs for 2008 - 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 2008) - 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 20th Year (2008) of Permit (line items 1a+1b+1c+2+4+5+6+7)	\$ 294,740.00
9	Cost for Next 4 Years of PC Period (2008 - 2011): line 8 + line 1d + line 2a + line 3 + 3*(line 1a) + 2*(line 1b) + 3*(line 1c)	\$ 1,002,380.00
	Date of Cost Estimate:	1/10/2008
	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 (2008) of active pumping to complete (2009 - 2011 would require verification sampling only.)	
	3. Assume that all activities relative to the CAP will be completed by the end of 2011.	
	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
(2008 Through 2011)

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																												
Permit-Required Inspections																																		
1	Closure Cap Inspection	\$85.00	1	2	\$ 170.00																													
2	Security Fence Inspection	\$85.00	1	2	\$ 170.00																													
						\$ 340.00																												
Program Administration/Reporting																																		
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																																	
						\$ 24,800.00																												
Subtotal for Detail 1a:						\$ 25,140.00																												
Shallow GW Sampling Program (35 wells)																																		
7	Preparation - Equipment Checkout, Planning, and Set-Up	\$ 85.00	8	2	\$ 1,360.00	Shallow GW Well Group																												
8	Water Level Measurements (2 operators, WL readings at 43 wells)	\$ 85.00	16	2	\$ 2,720.00	Number																												
9	Purge and Sampling of 35 Wells (2 operators)	\$ 85.00	77	2	\$ 13,090.00	Sample Hrs @																												
10	Data Review/Evaluation	\$ 85.00	40	2	\$ 6,800.00	Total Hours																												
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	\$ 1,030.00	1	2	\$ 2,060.00																													
Subtotal for Detail 1b:						\$ 45,910.00																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Shallow GW Well Group</th> <th>Number</th> <th>Sample Hrs @</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr> <td>1R,3B,6R,7R,8A,8B,10,11,13A,14,17,22,23,27</td> <td>20</td> <td>1.0</td> <td>20.0</td> </tr> <tr> <td>1B,13B</td> <td>2</td> <td>0.5</td> <td>1.0</td> </tr> <tr> <td>EW-1, VEW, EW-2, EW-3, EW-4</td> <td>5</td> <td>0.5</td> <td>2.5</td> </tr> <tr> <td>18,19,20,21,33</td> <td>5</td> <td>1.5</td> <td>7.5</td> </tr> <tr> <td>28,30,36</td> <td>3</td> <td>2.5</td> <td>7.5</td> </tr> <tr> <td>Totals:</td> <td>35</td> <td></td> <td>38.5</td> </tr> </tbody> </table>							Shallow GW Well Group	Number	Sample Hrs @	Total Hours	1R,3B,6R,7R,8A,8B,10,11,13A,14,17,22,23,27	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	Totals:	35		38.5
Shallow GW Well Group	Number	Sample Hrs @	Total Hours																															
1R,3B,6R,7R,8A,8B,10,11,13A,14,17,22,23,27	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																															
Totals:	35		38.5																															
Cylinders: 0.5 per well (average), \$20 per cyl., = 18 * 0.5 * \$20 = \$180																																		
Vehicles: 60 hr * \$5/hr * 2 vehicles = \$600																																		
Misc: \$250																																		
Estimate per sampling event \$ 1,030																																		
Deeper GW Sampling Program (15 wells)																																		
17	Preparation - Equipment checkout, planning, set up.	\$ 85.00	8	2	\$ 1,360.00	Deeper GW Well Group																												
18	Water Level Measurements (2 operators, WL readings at 42 wells)	\$ 85.00	16	2	\$ 2,720.00	Number																												
19	Purge and Sampling of 15 Deep CAD Wells (2 operators)	\$ 85.00	102	2	\$ 17,340.00	Sample Hrs @																												
20	Data Review/Evaluation	\$ 85.00	40	2	\$ 6,800.00	Total Hours																												
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	\$ 1,300.00	1	2	\$ 2,600.00																													
Subtotal for Detail 1c:						\$ 44,300.00																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Deeper GW Well Group</th> <th>Number</th> <th>Sample Hrs @</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr> <td>17-8,19-8,22-8</td> <td>3</td> <td>6.0</td> <td>18.0</td> </tr> <tr> <td>19-5, 21-5,8, 24-4,5,6,8, 25-5,8</td> <td>9</td> <td>3.0</td> <td>27.0</td> </tr> <tr> <td>27-4,5,6</td> <td>3</td> <td>2.0</td> <td>6.0</td> </tr> <tr> <td>Totals:</td> <td>15</td> <td>11.0</td> <td>51.0</td> </tr> </tbody> </table>							Deeper GW Well Group	Number	Sample Hrs @	Total Hours	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	Totals:	15	11.0	51.0								
Deeper GW Well Group	Number	Sample Hrs @	Total Hours																															
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																															
Totals:	15	11.0	51.0																															
Cylinders: 1.5 per well (average), \$20 per cyl., = 15 * 1.5 * \$20 = \$450																																		
Vehicles: 60 hrs * \$5/hr * 2 vehicles = \$600																																		
Estimate per sampling event \$ 1,300																																		
26 Detail 1 Total:						\$ 115,350.00																												
Increased Sampling To Demonstrate Attainment of GW Goals																																		
26	Annual NMED PC Business fee				\$ 4,000																													
27	Additional Sampling at Shallow Groundwater Wells																																	
Subtotal For Detail 1d:						\$ 89,020.00																												
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.																																		

Detail 2
RCRA Permit - Non-Recurring Costs For 2008

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 in mid-2008.						
Line Item	Description	Labor or Unit Rate	Hrs/item or 1 Unit	Items Per Year	Annual Cost (\$)	Group Subtotal
Major Permit Activities to be Completed in 2008						
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	
						\$120,200.00
Routine Permit Fee for 2008						
	Annual NMED PC Business Fee for 2008				\$ 4,000.00	
	Detail 2 Total:					\$124,200.00

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				