

**SAN JUAN UNIT 3  
STATUS REPORT  
July 2008**

**EQUIVALENT AVAILABILITY FACTOR**

July 2008:	98.30%
2008 YTD:	62.98%

**UNIT CAPACITY FACTOR**

July 2008:	97.74%
2008 YTD:	60.49%

**OPERATIONAL NOTES (Unit Outages/Significant Derates)**

Unit 3 is fully operational except for continued tuning and testing with respect to emissions. This remaining work plus punch list items will continue to occur over the next several months. Unit 3 continued to be derated slightly for boiler tuning and baghouse temperature tuning during the month of June.

**SAN JUAN PROJECT UPDATE**

San Juan E&O and Coordination Committees

The E & O Committee and Coordination Committee had meetings on July 24<sup>th</sup> in Albuquerque. The next regular meetings of both committees are scheduled for October in Albuquerque, NM. At the July meeting, Plant Manager, Russell Huffman, provided an operational update, an update of the environmental project, and an update of capital spending. In addition, a lengthy discussion occurred between Jim Ferland, Vice President PNM, and the Coordination Committee members, concerning a recent Booz Allen Study and overall plant performance.

Monthly Operating Report and O&M Update (June 2008 YTD)

- SCPPA's June 2008 YTD O & M expenditure for the San Juan Project is \$52,108,958 which is 4.5% over budget. The Non-Fuel portion is over budget by \$1,900,853 or 19.2%. The fuel expense is over budget by \$686,661 or 4.5%, and Capital spending is under budget by \$318,524 or 1.3%.
- The June 2008 YTD average bus bar energy cost for SCPPA for Unit 3 is approximately \$107/MWh.
- The June 2008 YTD equivalent forced outage rate for Unit 3 is 11.42%
- The June 2008 YTD average heat rate for Unit 3 is 10,965 Btu/net MWh.

San Juan Generating Station (SJGS) Environmental Systems Upgrade Project

- The project work is essentially complete and operating and the facility achieved Substantial Completion. Full load was achieved April 7, 2008. There is some emissions testing and equipment tuning yet to be completed for NOx and Hg emissions control.
- Total spending for this project is expected to be approximately \$77 million plus Unit 3's share of costs common to all units and common to only Units 3 & 4. Including those common costs the Unit 3 project total spending should be about \$80 million.