

Exhibit No.:

Issues: Manufactured Gas Plant  
Expenditures

Witness: Alan Fish

Sponsoring Party: Missouri Gas Energy

Case No.: GR-2001-292

MISSOURI PUBLIC SERVICE COMMISSION

MISSOURI GAS ENERGY

CASE NO. GR-2001-292

**FILED**

MAY 22 2001

Missouri Public  
Service Commission

REBUTTAL TESTIMONY OF

ALAN FISH

Jefferson City, Missouri

May 22, 2001

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1   **Q.   WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS**  
2       **ADDRESS?**

3   A.   Yes. My name is Alan Fish, and my business address is Southern Union Company,  
4       504 Lavaca, Suite 800, Austin, Texas, 78701.

5  
6   **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7   A.   I am employed by Southern Union Company as Manager, Environmental Services.  
8       This means that I serve as the environmental manager for Southern Union  
9       Company's gas distribution divisions which includes Missouri Gas Energy  
10      ("MGE" or "Company"), South Florida Natural Gas, Southern Union Gas, PG  
11      Energy and the New England division and for Southern Union Company  
12      Subsidiaries.

13  
14   **Q.   PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
15       **PROFESSIONAL EXPERIENCE.**

16   A.   I received a Bachelor of Science degree with a major in Geology from Stephen F.  
17       Austin State University in August, 1984. From 1989 through 1992, I served as a  
18       project coordinator in the Petroleum Storage Tank Division of the Texas Water  
19       Commission (now known as the Texas Natural Resource Conservation

Commission) in Austin, Texas. From 1992 through June, 1995, I was a Senior Project Manager/Associate Scientist for EnecoTech Environmental Consultants, Inc. in Austin, Texas, specializing in a variety of environmental projects associated with the oil and gas industry. In July, 1995, I joined Southern Union Company as Environmental Compliance Specialist and was promoted to Manager, Environmental Services for the Company. This position is responsible for all environmental-related issues for Southern Union Company. I am a licensed Corrective Action Project Manager (CAPM) with the TNRCC (CAPM License # 00093).

**Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

A. The purpose of my testimony is to address the direct testimony of Public Counsel witness Ted Robertson (at pages 6-11) concerning manufactured gas plant ("MGP") related expenditures in Missouri. Specifically, I will 1) explain the kinds of MGP-related expenditures MGE has incurred in the past; 2) demonstrate why MGE is certain to continue to incur MGP-related expenditures in the future; and 3) provide an "order of magnitude" to demonstrate that MGE's future MGP-related expenditures will be substantial.

**Q. PLEASE EXPLAIN WHAT KINDS OF MGP-RELATED EXPENDITURES MGE HAS INCURRED IN THE PAST.**

A. During the test year (calendar year 2000), MGE incurred approximately \$280,000 in MGP-related costs. The majority of these costs were spent on the assessment

1 and evaluation of the MGP site located at 1<sup>st</sup> & Campbell (Station A) and 223  
2 Gillis (Station B) in Kansas City, MO. In response to a request from MDNR, a  
3 Site Assessment/Characterization (SAC) Report was completed and submitted to  
4 the MDNR on March 6, 2000. The SAC documented MGP-impacted soil and  
5 groundwater on the subject site.

6  
7 In a letter dated June 21, 2000, MDNR Site Coordinator, Mr. Chris Cady, Ph.D.  
8 commented on the SAC Report for Station A. Mr. Cady's letter conveyed  
9 MDNR's requirement that additional assessment be performed on-site and off-site  
10 and strongly suggested that adjacent properties may have MGP-related impacts.  
11 Based on the MDNR letter, MGE submitted a work plan to conduct additional  
12 assessment activities on the subject site (Station A) and began the process of  
13 applying for access to off-site properties currently owned by the Union Pacific  
14 Railroad.

15  
16 Costs were also incurred during the test year to develop and implement a  
17 communications program for employees that worked on the subject site as well as  
18 general information for the public. A Risk Evaluation was conducted to confirm  
19 that the subject site was safe for employees and visitors to the site. A work plan  
20 was submitted to the MDNR to conduct a Tier 3 Risk Assessment on the  
21 subsurface utility worker exposure. Approval of that work plan is still pending  
22 review and approval by the MDNR.

1 **Q. WHY IS MGE CERTAIN TO CONTINUE TO INCUR MGP-RELATED**  
2 **EXPENDITURES IN THE FUTURE?**

3 A. The MDNR will require removal of source material from the subject site. The  
4 following statement is included in the MDNR's June 21, 2000 letter: "Source  
5 removal or in-situ remediation in the areas of heaviest tar contamination appears to  
6 be necessary to prevent further contamination of groundwater." The removal of  
7 the heaviest tar will involve the excavation and disposal of material to a depth of  
8 20 to 50 feet below ground surface.

9  
10 Other costs were expended to research and respond to an inquiry from MDNR on  
11 an MGP site at West Pacific Avenue and South River Boulevard in Independence,  
12 MO. MDNR conducted a pre-CERCLIS site screening in March 2000 and  
13 determined that the site should be eligible for the Registry of Confirmed  
14 Abandoned or Uncontrollable Hazardous Waste Disposal Sites in Missouri. The  
15 site is owned by the Reorganized Church of Jesus Christ of Latter Day Saints.

16  
17 **Q. CAN YOU PROVIDE AN "ORDER OF MAGNITUDE" TO**  
18 **DEMONSTRATE THAT MGE'S FUTURE MGP-RELATED**  
19 **EXPENDITURES WILL BE SUBSTANTIAL?**

20 A. Yes. Additional assessment activities have been completed on Station A and the  
21 MDNR is requesting additional assessment off site. Remediation will be required  
22 and the future cost of this effort will likely exceed \$20 million to achieve site

1 closure on Station A and Station B. Additional costs are likely to address off-site  
2 contamination.

3  
4 MDNR Superfund Section's Site Evaluation Unit, has announced that it intends to  
5 identify and investigate MGP sites throughout Missouri. MDNR has identified the  
6 First and Campbell MGP site (Station A and B) in Kansas City, MO and 20<sup>th</sup> and  
7 Indiana in Kansas City, MO, as sites that are the current target of this investigation  
8 process.

9  
10 Other owned sites that are included on the MDNR's list of sites to investigate  
11 include East 5<sup>th</sup> Street in Joplin, MO, 23<sup>rd</sup> and Pleasant in Independence, MO, and  
12 4<sup>th</sup> and Cedar in St. Joseph, MO. There are other non-owned MGP sites within  
13 MGE's service territory for which MGE may have some potential liability.

14  
15 MGE will expend money in Calendar Year 2001 to investigate and remediate, if  
16 necessary, an MGP site at 20<sup>th</sup> and Indiana in Kansas City, MO. A preliminary  
17 assessment was conducted in April 2001.

18  
19 MGE will continue to expend money on its owned and non-owned MGP sites, as  
20 necessary. Representatives of the Port Authority of Kansas City, MO, have  
21 indicated its intention to demand that MGE assume responsibility for the further  
22 assessment and potentially the removal (if necessary) of all MGP-related material  
23 located on the Riverfront Development site. In addition, for each site for which



