

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

REBUTTAL TESTIMONY OF

ALAN FISH

Jefferson City, Missouri

May 22, 2001

Exhibit No. 208
Date 6-25-01 Case No. GR-2001-292
Reporter Stewart

REBUTTAL TESTIMONY OF ALAN FISH

CASE NO. GR.-2001-292

MAY 22, 2001

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 1st & 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.

23

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 20th 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 5th Street in Joplin, MO, 23rd and Pleasant in Independence, MO, and
12 4th 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 20th 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

1 MDNR requires remediation to address MGP impact, MGE anticipates spending in
2 excess of one million dollars on investigation and remediation activities necessary
3 to obtain MDNR site closure.

4

5 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

6 A. Yes, it does.

7

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's
Tariff Sheets Designed to Increase Rates
for Gas Service in the Company's Missouri
Service Area.

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Case No. GR-2001-292

AFFIDAVIT OF ALAN F. FISH

STATE OF TEXAS

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COUNTY OF TRAVIS

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Alan F. Fish, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



ALAN F. FISH

Subscribed and sworn to before me this 14th day of May 2001.



Notary Public

My Commission Expires: 1/27/2003