

Manufactured Gas Plant Site Ownership in the 1990s

Edward Neuhauser

Niagara Mohawk Power Corporation, Syracuse, New York, USA

Why is the interest in manufactured gas plant sites so widespread that it merits an international symposium on the subject? In the United States, the last carbureted water gas plant closed its doors in the early 1970s. Therefore, for most people in the United States, the manufacture of gas from the destructive distillation of coal is a dead and long-forgotten industry. Even among the well-educated sector of the population, few citizens would be able to describe what a manufactured gas plant was, much less the impact that the industry had on society at the time of its prominence.

Most of the properties on which massive gas holders were built, along with the large retort houses of the 1940s, have been converted to 'modern' facilities that are part of the capital assets of the American gas electric utility industry. Ten years ago, the term 'MGP' meant nothing to most utility people unless they were old employees who worked at the gas works during the twilight years. During the period between 1982 and 1995, the recognition of the potential environmental impact of this forgotten industry has taken on enormous dimensions for the utility industry in the United States. As a representative of Niagara Mohawk Power Corporation, I will briefly describe our MGP story and why we feel this symposium is so important.

Niagara Mohawk Power Corporation is a large, publicly held Fortune 500 corporation that has a responsibility to its shareholders and its rate-payers. This responsibility means that we have to provide dividends to our stockholders by

managing our assets in a financially sound custodianship of our real estate. We have to reduce or limit our liabilities and improve our assets. The legacy of the MGP era for us is an environmental liability that has been estimated at more than \$200 million spread over 24 cities and towns in upstate New York.

So how do we manage this liability? The answer is something we have been working on for more than 13 years, since 1982, when we first notified the United States Environmental Protection Agency of the existence of these sites. Our program involves a corporate commitment that has far-reaching impacts to our organization, the local community, the state capital, and our stockholders worldwide. We are considered an environmentally proactive company and have dedicated substantial resources and capital toward resolving the MGP issue.

Today I will present a picture of how our company is managing the MGP legacy. When I have finished, you will see how one company, the inheritor of less than two percent of the total American MGP legacy, is taking the lead to investigate and remediate this liability in an environmentally sound manner. Many of the papers and presentations to be given at this conference cover areas we have to deal with on a day-to-day basis. I look forward to meeting many of you and have the utmost confidence that we all will benefit from this international exchange of ideas, knowledge, and policies.