

Senate Utilities Committee
January 21, 2004
Testimony of Gene Russell
Director of Environmental Services
Aquila, Inc.

Mr. Chairman and Members of the Committee;

My name is Gene Russell and I am Director of Environmental Services for Aquila. We appreciate the opportunity to testify today on behalf of Aquila, Inc. My primary responsibility is to direct the development and maintenance of management systems for Aquila's environmental obligations within our operations consistent with our environmental policy and corporate goals. I am also responsible for our assessment programs that verify operations are meeting Aquila's environmental expectations. Our Kansas electric operations were formerly known as West Plains Energy.

My purpose today is to respond to the questions submitted by the Kansas Senate on behalf of Aquila for our Kansas Electric operations. I understand the aspect and impacts of our distribution system as it relates to the environment.

As used in my responses, "PCB transformers" and "PCB-contaminated Electrical Equipment" refer to the regulatory definitions of those terms. "Non PCB" is a regulatory definition as well as an industry term that signifies and classifies transformers less than 50 parts per million ("ppm"). "PCB transformers" are transformers that contain PCB's at a concentration of 500 ppm or greater. "PCB-contaminated Electrical Equipment" are transformers that contain 50 ppm or greater but less than 500 ppm.

1. Tell the Committee the extent to which you can identify transformers which contain PCBs and their location throughout your distribution system.

West Plains was purchased in 1991 by Aquila. Prior to our purchase and beginning in 1987, West Plains began an extensive inventory and testing program to identify whether its transformers contained PCB's. In service transformers and on hand stock were identified by manufacturing company and serial number throughout the entire West Plains system. Each type of transformer was also identified by location. By the end of 1990, all transformers had been identified and were classified as PCB transformers, PCB-Contaminated Electrical Equipment as appropriate, or Non PCB electric equipment.

In addition to this identification classification process, West Plains either removed transformers or the PCB-containing oil from equipment classified as PCB-Contaminated Electrical Equipment or PCB transformers. This was done to bring concentration of PCB's in the oil to be under the level that would classify the equipment as PCB transformer or PCB-Contaminated Electrical Equipment.

Since Aquila's purchase of West Plains in 1991, Aquila has continued to monitor and maintain records of its transformers to identify the manufacture, model, and age of the transformer, the year and date it was tested for PCB's, as well as the results of those tests.

2. Tell the Committee the number of transformers which contain PCBs in your distribution system.

Based upon our inventory, testing, and subsequent removal of PCB-containing oil from all equipment classified as PCB-contaminated electrical equipment or PCB transformers that were found, we are not aware of any transformers in our system that would be classified as PCB-contaminated electrical equipment or PCB-transformers in the Kansas distribution system.

3. Tell the Committee what problems you have disposing of transformers containing PCBs when they are replaced.

We have not had any recent problems to my knowledge in disposing of transformers containing PCB's. We occasionally find some equipment that contain PCB's identified through our testing, and the material is disposed of using approved methods. In addition to our Kansas operations, other divisions come across PCB containing material.

If any are discovered, we use an Aquila approved PCB disposal vendor. Many are disposed of through a contract with Clean Harbors, which is the current owner of the Coffeyville, KS, PCB disposal facility. This is currently the only Aquila approved vendor for our Colorado, Kansas and Missouri operations for this type of waste.

Aquila has been involved in the clean up of disposal companies that have gone bankrupt that had operations needing attention. This is under the direction of the Environmental Protection Agency though the disposal company's insolvency. When this occurs, Aquila has participated in the clean up of operations through a financial contribution, or assisting a steering committee in the clean up of the site. This is done under the EPA's approved clean up plans.

4. Describe for the Committee your actions to replace those transformers containing PCBs over the past ten years, the net result of those actions, and your plans for the future regarding transformers containing PCBs.

Over the past 10 years Aquila has continued to test all transformers prior to disposal to assure that they do not contain PCBs. In the event that any equipment contains PCBs, they are disposed of at a facility permitted to receive PCB-containing material. As explained in the first question, we believe that all PCB transformers and PCB- Contaminated Electrical Equipment were removed from the West Plains distribution system more than 10 years ago.

The actions regarding testing and removal of PCB-containing oil from PCB transformers and PCB-Contaminated Electrical Equipment is further described as follows.

The process included first obtaining an inventory of our transformers and information by

manufacturer. This information, along with a serial number, was used to determine if the PCB information could be obtained for the transformers in our system.

For those transformers that could not be identified by the manufacturer's nameplate as PCB free, an independent laboratory tested the oil. The transformer oil was sampled by drilling into the casing, extracting oil from the transformer, and then sending the oil to a laboratory. The test result would then be used to classify the equipment.

For those transformers that contained oil with a PCB concentration of 50 PPM or greater, the transformer was either removed from service for off-site disposal, or drained and refilled with non-PCB containing oil. The PCB-containing oil would then be sent offsite for disposal.

Our current practice is to evaluate and test each transformer coming out of the Kansas operations distribution system. The evaluation includes checking to see if the transformer was manufactured prior to 1980, or if there is an identification plate on the transformer. The identification plate or manufacturing date indicates prior testing or that from manufacturing the transformer contains non-PCB oil.

Thank you Mister Chairman, and the members of the committee. I would be happy to answer any questions you may have at this time.